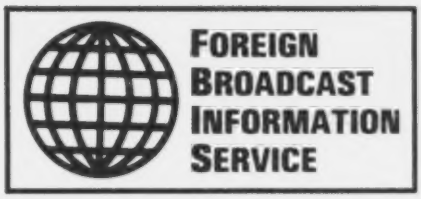

Daily Report

Latin America

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Latin America

FBIS-LAT-88-148 *2 August 1988*

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South Atlantic Peace Zone Countries Meet

PY0108164688 Madrid EFE in Spanish 0040 GMT 30 Jul 88

[Text] Rio de Janeiro, 29 Jul (EFE)—Today the first meeting of the South Atlantic Peace and Cooperation Zone Countries [Paises de la Zona de Paz y de Cooperacion del Atlantico Sur] concluded in Rio de Janeiro with a final declaration reaffirming interest in preventing militarization in the zone and in keeping superpower conflict out of the region.

In a speech closing the meeting Brazilian Deputy Foreign Minister Paulo Tarso Flecha de Lima said: "We are moved by the idea of building a unique region made up of developing countries...that are conscious of being peaceful nations with a great potential for development."

In addition to Argentina, Brazil, and Uruguay, the other delegations attending the meeting were Angola, Benin, Cape Verde, Cameroon, Congo, the Ivory Coast, Gabon, Gambia, Guinea-Bissau, Equatorial Guinea, Liberia, Nigeria, the Republic of Guinea, Sao Tome and Principe, Senegal, Sierra Leone, Togo, and Zaire.

The meeting was held to carry out a UN resolution, which was approved in 1986 and ratified in 1987, declaring the South Atlantic a zone of peace and cooperation. The UN resolution was sponsored by the countries that attended the Rio de Janeiro meeting.

Juan Carlos Beltramino, head of the Argentine delegation, told EFE that "there was a demonstration of great unity and solidarity among the countries of the zone, based on the common desire for peace and cooperation."

Beltramino expressed his satisfaction with the "open and frank" meetings of the delegations and with their decision that the objectives of peace, security, and cooperation should be closely linked.

Julio Cesar Lupinacci, head of the Uruguayan delegation, told EFE that the good thing about this meeting is that "concrete steps are being taken to reach the objectives of the UN declaration, whereas other UN resolutions are simply left on paper."

As a practical example, Lupinacci emphasized the decision to exchange information on the illegal transfer of toxic waste to the South Atlantic. This, he said, is a coordinated action to preserve the ocean's environement for the coast countries.

The declaration expressed its approval of the talks on southern Africa and wished Angola success in the negotiations. It also condemned apartheid and South Africa's attacks against the "frontline countries."

The declaration indicated that Argentina and Great Britain should hold negotiations to ease tensions in the region. It also called for the full enforcement of the UN resolutions regarding the Malvinas Islands.

Projects of economic, scientific, and technical cooperation will also be started or continued in the areas of agro-industry, health, human resources, oceanography, and meteorology, and special importance will be given to the fulfillment of the UN resolutions on sea rights.

The South Atlantic Peace and Cooperation Zone Countries also decided to meet annually to implement the agreements reached and to entrust their coordination with the countries hosting the meeting.

L.A., European Mayors Call for Democracy

PY2707212788 Santiago EL MERCURIO in Spanish 21 Jul 88 p C-4

[Text] The first international meeting of mayors, which was organized by former mayors who are members of the opposition, concluded at a downtown hotel at noon yesterday when Tomas Rodriguez Bolanos, mayor of Valladolid, Spain, read the "Santiago Declaration for Municipal Democracy."

The declaration, which was signed by 39 mayors of five European countries and one Latin American country, says that following an evaluation of the real Chilean situation, "no real democracy or local autonomy will exist as long as mayors are not elected by universal suffrage."

The declaration also calls on government officials to release Clodomiro Almeyda.

The declaration states that it is essential to have autonomous and efficient local governments to resolve the problems of the people, and that these problems cannot be resolved without the participation of an organized community "through a system of responsible self-administration that can only be achieved in a democracy."

C.A. Foreign Ministers Meet With Shultz

Madrigal Views Talks

PA0108195788 Guatemala City Teleonce Television in Spanish 0400 GMT 1 Aug 88

[Interview with Costa Rican Foreign Minister Rodrigo Madrigal Nieto by unidentified reporter in Guatemala City; date not given—live or recorded]

[Text] [Madrigal] We have come to this meeting to strengthen democracy, which has always been Costa Rica's policy. We believe the strengthening of democracy is necessary for Central America. The Esquipulas plan has come from the heart of the Central American people. We believe this plan includes a set of principles we have defended with intelligence for several years. We believe this meeting tends to strengthen all those principles.

[Reporter] What do you think about Nicaragua's absence from this meeting? Is this a violation of the Esquipulas II agreements?

[Madrigal] It is a violation in the sense that we are making a new pact that excludes Esquipulas. If this is the case, we would be violating this agreement.

Our conduct cannot vary from what we have already said in Esquipulas. I am not saying that we are acting within the framework of an Esquipulas meeting; this is not an Esquipulas meeting, as everyone can easily understand. This is a meeting of foreign ministers sharing democratic beliefs, who are not interested in isolating anyone or putting a fence around Nicaragua. On the contrary, we want to create a democratic process. We want to strengthen all communications to try to include Nicaragua in a democratic process. We do not want to hurt its institutions or damage relations with them.

Honduran Statement

PA0108155688 Tegucigalpa Cadena Audio Video in Spanish 1216 GMT 1 Aug 88

["Declaration" issued by the Honduran Government on 31 July]

[Text] Declaration:

During the first technical meeting, a consensus was reached between the five [as heard] delegations regarding a draft resolution on the subjects of democracy, security, economic and social development, the Central American peace process, and the creation of a mechanism for consultation among the countries participating in the meeting. During subsequent meetings, there have been diversions from that consensus; the Costa Rican and Guatemalan delegations have insistently demanded the following:

1. No specific mention of the principle of separation of political parties from military institutions.

2. No discussion of the problem of national security.

3. No establishment of a system of consultations among the five democratic governments.

4. No evaluation of the Esquipulas II process.

5. The Costa Rican delegation has asked that new economic cooperation programs between the United States and the four Central American democracies not be mentioned.

6. No protest or condemnation of subversion against democratic governments.

The Honduran Government fails to understand how the Costa Rican and Guatemalan delegations can agree that army and party can be one entity.

Honduras finds it strange that the Costa Rican and Guatemalan delegations should ignore regional security problems.

Honduras deems it necessary to establish mechanisms of consultation among the democratic Central American governments and the United States.

Honduras feels it is necessary for the five democracies to assume the historic responsibility of evaluating the Esquipulas II process, as Costa Rica has already done individually in making a self-evaluation.

Honduras feels economic cooperation between the democracies and between the developed North and the developing South is imperative. The United Nations views this as normal and necessary.

Although Honduras is not experiencing armed subversion, it suffers the consequences of a large influx of refugees into its territory, use of its territory as a refuge by insurgent forces, armed incursions, loss of investment opportunities, etc. In observing the Central American drama of violence and terrorism, Honduras believes the phenomenon of subversion could be transferred to its territory. In facing this possibility, it finds it necessary to agree on preventive measures of cooperation and mutual assistance with democratic states.

Lopez on Talks, Declaration

PA0108161188 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 1 Aug 88

[News conference held by Honduran Foreign Minister Carlos Lopez Contreras with unidentified reporters in Guatemala City on 31 July—live or recorded]

[Text] [Lopez] I suppose you want me to speak a little about the declaration released by the Honduran delegation participating in this first meeting of foreign ministers from El Salvador, Costa Rica, the United States, Guatemala, and Honduras. The declaration is the view of the Honduran delegation regarding the talks. In the

declaration, we basically explain it is necessary to confront the topics that are part of the Central American crisis. To evade the topics of the crisis and try to make them disappear will lead us nowhere. That is why the Honduran delegation has wanted to express its position and concern regarding important points such as problems of security and democratization and problems resulting from the concept of a political party dominating a government and army.

We have also expressed in that declaration that there is no reason to be ashamed of meeting with the U.S. secretary of state. The Honduran Government has always been willing to meet with officials at all levels under the principle of mutual respect and absolute [words indistinct]; therefore, the issue of whether or not we must hold a number of meetings or consultations among democratic governments should not be a reason to feel embarrassed, in our opinion. Rather, we feel very proud of meeting with the United States and with representatives of all nations. You may correct me if I am wrong, but the Nicaraguan Government has sought direct talks with the U.S. Government. Other governments that are not friends of the United States have also sought talks with them.

[Reporter] [Words indistinct] have said that Costa Rica and Guatemala reject the Honduran views.

[Lopez] The views have been discussed by each delegation. I want you to clearly understand I have [words indistinct] and that refers to the attitude assumed by the delegations of such countries at a technical level. We will see if that position is maintained.

[Reporter] A Guatemalan deputy reported to the Guatemalan press that the Salvadoran and Honduran Governments had signed a document in which they agreed to break diplomatic relations with Nicaragua.

[Lopez] That is absolutely false. I am at least talking on behalf of the Honduran Government. We have never broken diplomatic relations with Nicaragua since the revolutionary government came to power in that country. We have had problems, but we have been very cautious in maintaining our international relations and in keeping our public opinion in calm spirits in such a manner that the differences between each country in the border areas, the crossing of the borders by armed groups, and Nicaraguan Army incursions do not give rise to a crisis between the two countries or threats against peace.

[Reporter] Mr Foreign Minister, what has happened with Costa Rica and Guatemala, which have assumed this attitude as of late?

[Lopez] We want to point out that following a consensus that prevailed in the first preparatory meeting, the effects of the document that had the full support of the five participating countries at a technical level has been decreasing. It is an expression of the participation of the five countries [words indistinct]. So it is not true that the United States or any of the other countries meeting in Guatemala has tried to impose a point of view or a document. The differences between the countries should make these types of statements disappear.

[Reporter] What role will the United States play from now on?

[Lopez] I understand the U.S. Government is willing to participate in these negotiations, but as the Honduran declaration states, we have noted that the Costa Rican and Guatemalan Governments are not interested in holding these types of periodic talks, whether they are annual or biannual talks.

[Reporter] Have these talks failed?

[Lopez] They could be a failure. I think it is important that these things be discussed publicly, because we cannot lock ourselves up in rooms and then come out with documents the meaning of which the signatories are often uncertain.

'Clash of Interests' Denied

PA0108162488 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 1 Aug 88

[Interview with Costa Rican Foreign Minister Rodrigo Madrigal Nieto by reporters Elan Reyes Pineda and Guillermo Castellanos Enamorado in Guatemala City on 31 July—recorded]

[Text] [Madrigal] (?Differences) of this nature are usual among delegations. If the Honduran delegation wishes to voice them [words indistinct].

[Reporter] Is Costa Rica questioning the Honduran document?

[Madrigal] [Words indistinct] question it. If a delegation has an opinion different to ours, it does not mean we question it [words indistinct].

[Reporter] It is said Costa Rica does not want the issue of national security discussed; it wants a review of Esquipulas II and the discussion of other points.

[Madrigal] [Words indistinct] we have clearly expressed our opposition to a number of measures we [word indistinct]. We have repeatedly said there is a need for a number of major changes. However, I (?do not believe this is the time) to discuss such topics [words indistinct].

[Reporter] Is there a clash of (?interests), with Guatemala and Costa Rica on one side and Honduras and El Salvador on the other?

[Madrigal] I do not believe we should term this as (?a clash of interests). We have a very harmonious relationship with the United States; Mr Shultz even kindly

visited me before coming to Guatemala. Therefore, there is no [words indistinct] among us in this regard [words indistinct] the fact that only Honduras feels the need to make public its viewpoint [words indistinct] internal reasons of which we are not aware [words indistict]. We have contributed to the cause of democracy, which is what we enjoy in Costa Rica. We have a 100-year-old democracy. In this way, we contribute [words indistinct]

[Reporter] [Word indistinct] of Honduras, Costa Rica opposes a discussion of economic problems in this meeting with the a U.S. (?official)?

[Madrigal] [Words indistinct] is a bilateral issue; we did not come here to discuss economic problems or ask anything from anyone. We came to express our views regarding a political situation and talk about democratization of Central America and a number of other topics. However, I do not believe we should use this meeting to request absolutely nothing [words indistinct].

[Reporter] Are we talking about the formation of a block of four countries against Nicaragua?

[Madrigal] We have said we did not come to this meeting to corner anyone. We are not interested in doing that. Throughout my tenure in the Foreign Ministry, I have been talking about the appropriateness of a democratic alliance in defense of democracy.

[Reporter] [Question indistinct]

[Madrigal] A much broader alliance or cooperation than a [words indistinct] United States and four Central American foreign ministers.

No Condemnation of Nicaragua

PA0108224888 Panama City ACAN in Spanish 2222 GMT 1 Aug 88

[Text] Guatemala City, 1 Aug (ACAN-EFE)—It has been officially announced that the meeting between the Central American foreign ministers and U.S. Secretary of State George Shultz held in this capital today has ended without any condemnation of the Nicaraguan Government.

The foreign ministers of all the region's countries—except for Nicaragua, which was not invited to the meeting—pledged to respect the principles of peace, democracy, security, social justice, and economic development expressed in the UN and OAS Charters.

They also reiterated the importance of the Esquipulas II peace agreements and the Alajuela declaration as basic Central American means for achieving democratization and security in the area.

Shultz 'Pressure' Denied

PA0208003288 Guatemala City Cadena de Emisoras Unidas in Spanish 2321 GMT 1 Aug 88

[Statement by Guatemalan Foreign Minister Alfonso Cabrera at a news conference following the meeting of Central American foreign ministers with U.S. Secretary of State Shultz at the Camilo Real Hotel in Guatemala City on 1 August—recorded; broadcast in progress]

[Text] ...In the course of this meeting, we have moved closer to specific solutions to each of those topics. We recognize the United States as a friendly country that has shown its concern and its political willingness to contribute to the Central American peace process and to cooperate in the region's economic development, both regionally and bilaterally with each of our countries.

That is why this meeting was held, and I wish to say that we Central American foreign ministers feel very satisfied with the results that have been obtained and that you will hear about in the joint communique we will release in a few moments.

I personally wish to point out something that I believe is very important. All kinds of rumors have circulated about this meeting; about the existence of a so-called Shultz plan, about the proposal for a declaration of war, and about pressure reportedly exerted on Central American governments, specifically the Guatemalan and Costa Rican Governments.

I wish to say that this is all mere speculation, that there was no pressure, that no Shultz plan was presented, and that we were not invited to sign any declaration of war.

When our meeting began in Guatemala City, Guatemala proposed an agenda for this meeting consisting of the establishment of technical commissions to draft documents and propose topics that should be considered at the meeting. What occurred in the course of the meeting was a discussion of the basic document initially presented by Guatemala and then expanded, and then the other Central American countries made other proposals. This probably led to speculation, which is why I wish to take this opportunity to make this statement and indicate that the rumors were false.

After this process of reflection, during which delegations from the four Central American countries and the United States worked arduously, we drafted this final document, which represents the beginning of a period of reflection to be followed by the creation of the appropriate mechanisms.

Mr Shultz understood Central America's position that political commitment expressed in a document is not enough, that it is necessary to objectively and clearly define the mechanisms for the realization of the goals outlined in this document, the goals of peace, progress, and development for the sake of 25 million Central Americans.

Joint Communique Issued

PA0208002688 Guatemala City Cadena de Emisoras Unidas in Spanish 2324 GMT 1 Aug 88

[Joint communique issued by the foreign ministers of Costa Rica, El Salvador, Guatemala, and Honduras and U.S. Secretary of State George Shultz in Guatemala City on 1 August—read by Claudia Arenas, Guatemalan presidential public relations secretary]

[Text] The ministers analyzed the current Central American situation and discussed the Central American peace process and measures to promote the region's democracy, development, peace, and security.

The ministers confirmed their respect for the principles of peace, democracy, security, social justice, and economic development as expressed in the UN and OAS Charters. They reiterated the importance of the Esquipulas II agreement and the Alajuela declaration as Central American documents that are fundamental for the region's democratization, security, and economic and social development.

They agreed that the establishment of truly democratic governments in the entire region is essential for achieving peace. Likewise, they agreed on their view of a democratic, truly pluralistic, prosperous, just, stable, and secure Central America.

They reaffirmed that true democracy needs, among other conditions, political pluralism, freedom of association, freedom of the press, an impartial judicial system that guarantees due process, apolitical armed forces in the countries where they exist, an honest and open electoral system, and respect for human rights and individual freedoms. All of these basic principles and fundamental freedoms create a democratic and representative system in which the people's will is periodically expressed through free and honest elections that permit the peaceful, orderly transmission of power.

They declared their firm determination to consolidate the democratization efforts being carried out in the region and to strengthen the links of cooperation and solidarity among them.

They invited the international community to support their efforts and to encourage the democratic governments. They believe this is an essential element that must be taken into account by the international community in its economic relations with the region.

The ministers reiterated their intention to coordinate political and economic actions to promote their common objectives.

At the end of the meeting, the foreign ministers of Costa Rica, El Salvador, and Honduras and the U.S. secretary of state thanked the Guatemalan people and government for the hospitality and attention they provided in the effort to achieve the goals of peace and democracy in the region.

Cuba

ANPP Reviews Provincial Reports, Progress

FL3007155588 Havana Tele-Rebelde Network in Spanish 1729 GMT 19 Jul 88

["Highlights" of first day proceedings of the third National Assembly of the People's Government, ANPP, session, held on 18 July at Havana's Palace of Conventions—recorded]

[Text] [Speaker identified only as Limia] The commission of local organs of the people's government that takes into consideration complaints and suggestions has made recommendations after examining the report presented by the Provincial Assembly of the People's Government of Guantanamo on the efforts they have carried out since they were formed and, taking into account the criteria formulated by 12 permanent commissions of the national assembly that visited the province, in addition to considering the program that has been developed by the party's leadership for the integral development of that territory, issues the following report:

The report presented undeniably reflects the transforming nature of the revolution in the province, especially the advancements made since the local organs of the people's government were created, with growth evident in economic and social activities both nationally and locally. All this, without ignoring the fact that there has been insufficient use of industrial abilities, low yield in the agricultural-livestock sector, lack of fulfillment of construction plans, and the lack of an adequate enterprise infrastructure.

The standard of living indexes have increased substantially even though they are still not at the same level as those of other provinces. During all these years, work has been done to develop the mountains. Now, with the Turquino plan, a solution is possible to solve the problems of this zone in an integral manner to improve not only their production results, but also the standard of living for their residents and permanent settling in those territories, thus avoiding the exodus of the population.

Work continues on cadre policies; difficulties and deficiencies still exist, basically with regard to their preparation. This situation has worsened with the slow migration of technical and professional personnel.

An effort to conserve water was observed with important projects under construction or in the study phase, which need to be accelerated. Small hydro-energy installations have demonstrated their usefulness and scope in the mountain areas.

The work done to check the deterioration of land due to salinization, which primarily affects the Guantanamo Valley, and attain its recovery is unquestionable. Forestry replenishment is being accomplished by using the most appropriate and beneficial varieties of trees to help counteract the effects of the drought and check ecological deterioration.

Advancements made in the health sector are impressive. Nevertheless, there are still problems with infant mortality due primarily to premature births, low birth weight, congenital defects not detected in time, and the quality of medical attention. There is still a shortage of medical specialists in the province.

In primary education, there is a low percentage of schools with double sessions in the territory.

Positive results have been observed in economic activity directed by local organs of the people's government and in its basic functioning, in work commission tasks, and in attention to delegates, which has promoted an increase in solutions to statements made by the electorate.

Defense tasks have received special attention. The province has reached the ready for the defense phase, first stage, although work continues on the eradication of deficiencies which still exist in order to attain the ready for the defense phase, second stage.

In accordance with the analysis made, the commission considers it opportune to make the following recommendations:

First, that all national and local organs and organizations give special attention to the fulfillment of tasks that relate to them within the integral development program established for Guantanamo Province, doing this during their respective annual and 5-year plans.

Second, that work be accelerated and effective in solving the shortage of administrative, professional, and technical cadres, including a skilled work force that is necessary to fulfill the province's integral development program.

Third, to continue working to ensure that the complaints, requests, and suggestions made by the population receive a response within the time frame established as well as improve the quality of the documents presented to assemblies.

Fourth, that all organs and organizations of the province and each person of Guantanamo redouble efforts to successfully attain the goal of ready for the defense, stage two.

Finally, the commission proposes that the Guantanamo provincial assembly report back and this report be approved and the recognition and congratulations of the national assembly be made known to the political and mass organizations of the province, their government organs, the administrative office in the territory, and especially to the people of Guantanamo for the success

attained during these years of the revolution. At the same time, they are urged to continue working with the spirit that currently prevails in the province in accordance with the preferential attention the country's leaders are giving it to overcome the difficulties that have blocked its development up to the present time.

Approved by the Commission of Local Organs of the National Assembly and Attention to Complaints and Suggestions in Havana on 16 June 1988.

Thank you.

[Acting ANPP President Severo Aguirre] Thank you, deputy Limia. Comrade Irma Barrera now has the floor. Deputy Irma Barrera.

[Barrera] Yes, I would like the comrades to go into detail. We have the data for coffee production as one of the basic products. This was presented by the comrade in his evaluation of their 10 years of work.

Nevertheless, they say that in comparing 1987 to 1977, there was a 33 percent increase, but they were not able to attain the same amount that was obtained from 1982 to 1983. They said that factors contributing to this include an unstable work force and weak application of science and technology. However, on page 41 of their analysis of scientific-technical activity, they do not go into detail on what measures are being taken to use science and technology to develop more variety and greater efficiency in the production of that important item in Guantanamo Province.

[Alberto Martinez Duran, president of the Guantanamo People's Government] We have linked this to the program of the scientific-technology center and we are planning to establish a scientific center in the mountain as a solution to this problem. The comrades of the Academy of Sciences are working on this project which pertains to coffee as well as crops grown in the mountains.

In reference to the time period she mentions and the solutions to the scientific-technical problems that we need to apply to agriculture, we are implementing a new structure as regards coffee production, such as the creation of a basic production unit. For every 10 caballerias of coffee, there will be one engineer and seven mid-level technicians.

With reference to recovery in the coffee sector, the most important thing is how we are increasing coffee yield each year. In the 1987-88 harvest that just ended, we produced 53 quintals of coffee per caballeria. The agriculture comrades are projecting a harvest of 77 quintals of coffee for 1990 and the average is expected to be 140 quintals of coffee per caballeria by 1995.

This will lead to a transformation of the situation we have in the plantations in the provincial areas. From 1987 to 1988 we had 2,650 caballerias and 1,250 of these were for traditional coffee. That's 47 percent. By 1990 we will have only 912 caballerias of traditional coffee. That's 32 percent. Only 15 percent of the caballerias will be traditional coffee by 1995.

[Unidentified speaker] It says here on page 40 that work is being done so that by 1995 the province can have all the professionals it needs. If they do not take this situation seriously now, this could cause problems later. It is not easy to understand why a province with this type of development and cadre is not adequately stable in certain areas.

[Martinez Duran] We now have approximately 5,500 comrades who have graduated from higher education institutes. According to the studies we have recently conducted, their needs have increased considerably since the development program was initiated for the province which we are analyzing. We have been studying this with the comrades of higher education, with the comrades of the Higher Education Ministry. Comrade Vecino [Higher Education Minister Fernando Vecino Alegret] and an important group of comrades have been helping us study the problem we have in training skilled workers. We estimate that the work force we will need from 1989 to 1990 could be around 100,000 technicians and professionals.

We have known from the beginning that the country cannot solve this problem now and neither can we. The comrades of the Higher Education Ministry are studying the possibility of progressively giving the province assistance each year, strong assistance, in regard to the personnel we will need. The development program primarily depends on solving the situation of the application of science and technology in industry and agriculture to extricate ourselves from the situation we're in now. Our opinion is that we cannot continue with a rigid attitude in reference to the number of personnel we now have.

[Fidel Castro] When they said that their plan includes 1 engineer for every 10 caballerias, it raises a question. Is there any coffee plantation in the world, in the world [repeats himself] with 1 engineer for every 10 caballerias?

[Martinez Duran] I can't answer that, Commander, but this was mentioned in the estimates we have been making on the basic production unit....

[Castro, interrupting] [Words indistinct] comrades of the party that take care of all that. I ask; is there any coffee plantation in the world with 1 agronomy engineer for every 10 caballerias?

[Unidentified speaker] Commander, no one in the world has engineers and technicians for an area of that size. Something that is much more interesting is that the problem of the engineer is in relation to a specific amount of production—10 caballerias. This is a project to be discussed that can increase production with the use of science and technology. It is revolutionary to have an engineer and technicians for every 10 caballerias in our mountains. It is a revolution.

[Castro] Of course. Hopefully that engineer will be put to work and they won't make him act as a bureaucrat to fill out papers and do other things. He should be responsible for production. It seems like a good idea to me. I sincerely believe that it's worthwhile to have someone be responsible for production of 10 caballerias. Later they can determine how many quintals of coffee they will produce in these 10 caballerias, how much it's worth in the world market, and so forth. It seems like a good idea to me. It would be as if each chief had an engineer in the sugarcane fields. Hopefully it will come to that.

It's a very ambitious plan to have an agronomy engineer for every 10 caballerias. It seems to be a good plan, if we can train the people and if we give them work like we do with the doctors who take care of 500 or 600 workers. They take care of the people. Those engineers should also be tending to the coffee plantations and taking care of that process. That's why I say when we speak about shortages, they're shortages that are beyond our creative imagination. People might call it a disaster.

I think that there may even be more agronomy engineers now than there were throughout the entire republic—and Guantanamo is a small province—than there were throughout the entire country when the revolution triumphed. I don't know how many there are, but one could bet on it. One could bet that there are more now in Guantanamo than there were throughout the entire country. That's why the shortages are relative, and to me it seems a good idea to make an attempt to set up parameters.

We might have said 5 years ago that the shortage of doctors in the mountains of Guantanamo was 1,000. People would have said, these people have gone crazy to say there is a shortage of 1,000 doctors in the mountains, or in Guantanamo.

It's because of the idea of the family doctor program, a new concept, that we can say there is a shortage of 1,000 doctors in Guantanamo to treat the population. It's because there is a new concept that requires many more doctors for a more ambitious medical plan than the one that existed before.

This is why I feel that each of the sugar mills should have a number of university-level professionals, more than they ever had during capitalism. I am sure that any Guantanamo sugar mill has about 15 university-level professionals, from 10 to 15. During the time of capitalism they probably had one or none. I am glad that you have not concluded that an engineering school needs to be opened in Guantanamo because some mechanical engineers are needed. I believe that what needs to be done is to send Guantanamo students with scholarships to Santiago and other provinces so that they come back after they graduate and to draw out a plan for the training of all those technicians. Perhaps some from Guantanamo need to be sent to Havana. There may not be enough room for them. I do not know within what period of time those 300 agronomy engineers are going to be trained. This is more or less what they are going to need. A program will have to be developed to train those professionals that are needed. But let's not get from this the idea that Guantanamo is totally deprived, impoverished, or strained with regard to technicians. It may have somewhat fewer than other provinces but this is a relative shortage. Is this clear?

[Unidentified deputy] I am a deputy for Las Tunas Province. I live there but I come from a sugar mill, one of the smallest sugar mills in Guantanamo. I had the opportunity to visit it with the construction and housing working commissions. Don't laugh because this is the way it is. But the Guantanamo in me came out. No, I didn't leave because I am in Las Tunas where I am also needed. [laughter] So, during the visit I paid to Guantanamo that.... [changes thought] I can't compare the Guantanamo of today to the one I left when I was a child. One can see even in the most isolated places the will, the results of the revolution.

[Second unidentified deputy] I believe that to speak of Guantanamo, Boqueron, Caimanera, and Baracoa, is to say that we have achieved the greatest victory during these years of the Cuban revolution from the ideological, economic, and social point of view. This can be noted from the results the comrades have expressed and from what can be seen there. At this time I would like to congratulate the party leadership, the comrades of the people's government leadership, mass organizations, and the people of Guantanamo for the work carried out during the years included in this report back. [applause]

[Deputy Eddie Fernandez Boada, president of the People's Government in Santiago de Cuba Province] The need to resolve the employment problem has been discussed here in the eastern provinces in the last few years, because it looked as though the unemployment level could increase. In Santiago de Cuba's case, the problem was as follows. We had an employment demand of around 26,000, people who had contacted us to ask for employment. This demand has decreased by some 2,000. Last year, 18,000 people, new comrades, were incorporated into the work force with a net growth of approximately 7,000 new jobs. The most important thing for me—and I believe for all—is the structure to incorporate the labor force. Some 12,000 joined the agriculture and construction sectors. A certain number of people—some 2,000—joined non-productive sectors because of the demand of new centers that opened. Thus this situation, which has shown similar trends during the first half of this year, allows us to assure you that in our case this problem has not worsened. On the contrary, it has been alleviated. It will allow us to reach 1991 with an acceptable employment situation, without having any crisis. We will be able to start balancing our labor force. Because we suppose [corrects himself] we don't suppose.... [changes thought] Estimates tell us that from that year on there will no longer be a masssive number of people reaching the working age, which could cause us a

social problem. As far as I am concerned, this problem will be solved if we continue working the way we have so far. It looks as though this is going to be the case and it is going to be even better.

[Castro] How many joined agriculture and how many construction?

[Fernandez] Commander, 8,080 joined agriculture, counting 1,000 from the EJT [Youth Labor Army] which are for agriculture; 4,106 joined construction; 1,049 joined organization training courses; there are 2,894 workers at home, producing, in productive activities, which was what you suggested at the Central Committee plenum as an activity that allows the use of the female labor force in isolated areas; 1,119 were sent to work (?abroad); and some 1,500 joined non-productive activities. This was in 1987.

[Castro] Which are non-productive activities?

[Fernandez] Well, the non-productive ones classified here.

[Castro] Give me an example of the categories you have there.

[Fernandez] Yes?

[Castro] Which activities are classified as non-productive?

[Fernandez] Well, trade, education, and public health are classified as non-productive.

[Castro] So, you are referring to those activities.

[Fernandez] Yes, of course.

[Castro] But those are important services.

[Fernandez] They are fundamental services but are classified as non-productive.

[Castro] Could you call them something else so it doesn't sound as though they are non-productive?

[Fernandez] Of course.

[Castro] The term non-productive could give the impression that the work of a teacher....

[Fernandez, interrupting] No, they are teachers, doctors, etc. The trend is the same during the first half of this year, Commander.

We have already incorporated some 6,000 new comrades and almost all of them have entered the agriculture and construction area. Most of them, some 5,000 people. So it is important to incorporate the labor force but it is especially important to incorporate them into agriculture and construction because it is our priority.

[Castro] How have you achieved all this construction in 1988? With the same people who were working in construction, with more people, with the incorporation of minibrigades? What can you tell us about this?

[Fernandez] Last year, we....

[Castro, interrupting] How have you done it? Yesterday I read in a paper—I believe it was BASTION—that there were 531 projects. It even said you were completing 6,000 housing units. You can see an enormous construction activity in Santiago de Cuba. They have had help from other provinces, of course, but I think you have carried the weight of the work. How did you achieve it?

[Fernandez] Last year—within the framework of all the discussions and the agreements we made on the rectification process in the party at the provincial level—we directed the work toward activating the economic activity of the territory. We started with what was discussed about the Turquino plan—to develop the mountains; coffee; livestock-agriculture activity, especially tubers and vegetables. We tried to determine whether a large number of investments were being carried out from previous years, with delays that precluded completion, or whether we had to do new things. In this way, in August—specifically, on 1 August—the party provincial committee approved a document which contained the line of work we were going to follow.

First, to ensure we were in condition to host the 35th anniversary ceremony. You told us that we had to deserve it or the ceremony would not be held in Santiago. We had to work hard to be able to host the 26 July ceremony because it shouldn't be a matter of having historic merits alone, etc. Second, we had to arrive at this date with a truly good situation. My opinion, Commander, is that our province responded properly to what you told us. This is my honest view without having any Santiago chauvinistic feeling or anything like that.

I can tell you that we fulfilled the economic plan by 101 percent during this half of the year. This is considering the fact that construction did not exceed 90 percent of the plan in real terms, although qualitatively I would say it reached 150 percent. Because we completed things, we started exploiting things. We are following the policy you suggested regarding how to manage investments. We have grown 7.9 percent during this period. We had a reasonably good sugarcane harvest. We fulfilled the plan. We are going to reach July with more than 90 percent of the cane fields cleared to ensure that the growth we had in production per caballeria last year.... [changes thought] We already have 4 complexes with more than 80,000 arrobas per caballeria and an average of 77,000 arrobas per caballeria. This is pretty good because you know that we have dry farming in Santiago.

[Castro] How much?

[Fernandez] We have an average of 77,000, and 4 complexes with about 80,000. There's practically no irrigation and this requires us to work strong in the fields, especially in weeding.

Export production was overfulfilled during the first 6 months. There was a delay in delivery because there was a problem with a ship (?carrying) sugar. We'll recover from this problem this month. Export production was overfulfilled. We also had quality in what we produced. We didn't just complete the plan.

We think that the work progresses satisfactorily and this forms part of a climate of work, an atmosphere of rectification. I would say that this situation, as Lazo [Esteban Lazo, first party of Santiago de Cuba Province] sometimes calls it, requires a little more morale. It's not just a matter of the work there; it has to do with what our country is going through now that we have begun to rectify the things we were not doing well. I think this is being expressed in our province in a definite manner. It's not just a problem with the people's conduct. Above all, it has to do with how people work, study, apply themselves, how cadres dedicate themselves to work. This is a definite expression of their morale. If this is denied in production, the situation I just described to you would not exist, even though the results might be greater.

Commander, I think we will finish the school year very well. We will have a high retention rate, above 97 percent. Our promotions will be above 92, 94 percent in education and we'll have quality, which is important. The school year that begins in November is practically assured in the material aspect so that it can begin correctly. Besides all the construction, we are working to make sure that the school year can be guaranteed.

To give you an idea about the public health situation, as you well know, last year we had serious problems during the first 6 months with mothers dying in childbirth. Do you remember? As of July, we've had only one comrade die and it was an accident. She died from the anesthesia. If it had not been for that young girl, we would not have had any mothers die in childbirth. After the problems we had, we went for almost 165 days with no comrades dying in Santiago de Cuba for this reason.

Infant mortality is at 11.8 percent. You know what that means for Santiago de Cuba. A municipality like Santiago de Cuba with 500,000 residents is at nine. Segundo Frente is at seven and (Siberique) and Guama are at six. It's incredible.

[Castro] Where did the people die then?

[Fernandez] We had some municipalities that did not....

[Castro, interrupting] It was at seven in Segundo Frente?

[Fernandez] It was seven and it was at six in Guama but in the Tercer Frente it was at 23.

[Castro] Ah. Why did it go up there?

[Fernandez] In the first place, few people are born there. It's very small. It has a population of about 20,000. It is totally covered with [words indistinct] family. Last year was a very good year there. If only one or two children die, then that alters all the indexes because the population is small and the birth rate is low. We hope that....

[Castro, interrupting] Is the rate in Santiago the lowest in history?

[Fernandez] No, in 1977 we had 29 per 1,000.

[Castro] In the municipality [corrects himself] in the city?

[Fernandez] In the province of Santiago de Cuba. We had 29 per 1,000. In Santiago de Cuba municipality, in the city, we had more than 18. Now it's at 9. It seems to me that the Santiago de Cuba public health workers have responded....

[Castro] You say that this year it's at 9?

[Fernandez] During this 6-month period, Santiago de Cuba municipality has had 9 per 1,000.

[Castro] Do you think you can maintain that figure?

[Fernandez] I think so, Commander. I think so.

[Castro] Is there any other provincial capital that has that figure? What's the rate in Cienfuegos for this 6-month period?

[Unidentified speaker] [Words indistinct]

[Castro] Cienfuegos has a rate of 10.7 for this time period. You have a rate of 10 in Camaguey.

[Unidentified speaker] Sancti Spiritus has 10. The province has 9 per 9. [as heard]

[Castro] It has 9 per 90. Then it's possible that Santiago may be the city with the lowest infant mortality rate. That's very difficult if you take into account the housing problems in Santiago de Cuba. It it can maintain that figure, that would be a tremendous accomplishment.

What's the rate in Havana City?

[Unidentified speaker] It's 13.1.

[Castro] It's 13.1 in Havana City.

[Unidentified speaker] The figure is [words indistinct].

[Fernandez] The figure is below the national average. It's the first time that we have been below the norm. We've always been above it. Last year we were just a little bit above. We were at 14.2 and the average was 13.

[Castro] The city or the province.

[Fernandez] We were always above the national norm and the city of Santiago de Cuba [words indistinct] take up various aspects social (?in nature) present in some communities, some places where they still had to complete the services infrastructure that this requires. The plans were basically directed toward production investments. In practice, not just in theory, we gave them top priority. So much so, that investments such as the Santiago de Cuba refinery.... [changes thought] Because to talk about that refinery is not to talk about an isolated refinery. To talk about this refinery is to talk about oil refining and also about building four more plants to produce hydrogen, asphalt, sulphur. It's to talk about finishing the lubricants complex there. In sum, it is an investment that exceeds 250 million rubles. I believe it's 9 caballerias in size.

It is a well-executed, attractive investment. We think you are going to like it when you see it, because it has been built with quite some quality and, besides, it is producing. It is producing.

There's the parenteral [word indistinct], the physiological serum factory, the medical equipment factory, and industries such as the honey and wax plant, which had been left unfinished for a long time, where honey and wax were processed for export. We were able to finish it. A match factory was to be built in a short time, and it was done. A sports related plant was built in Santiago de Cuba, which has to do with funds gained through exports because its production is mostly for export, since it has an assured market. Also to be finished is the gas factory on the road to Caney, in order to enable us to produce the argon and oxygen that we need in Santiago de Cuba. To be finished is a new bottling plant for the Hatuey Brewery. We had made a big investment to increase beer production but then we did not have a way to get it out.

Those were the basic questions in the industrial area, although there are other projects of this kind: bakeries, a preserves plant on the mountains, etc. But the more important things are the ones I have just mentioned. Along with that, there are the investments in the agricultural-livestock area. We had to increase pork production with the investments already planned by the Micons [Ministry of Construction] and also the work that the agriculture sector had to accomplish to augment their facilities through this method of building with their own means to improve their infrastructure. We are finishing a pork unit with a liquid feed plant to process slop from this part of Palma which goes to waste and yet is valuable. We expect—and it has been planned—that completion of this pork unit will make it possible for us to increase pork production by 2,500 tons. Along with this, the agricultural sector is working hard to increase the production areas of a unit in the vicinity of Yarayabo, near Palma.

We are also finishing a plant to manufacture panels for houses there in Yarayabo, near Palma. The agricultural sector is also setting up poultry breeding units. So, we are trying to increase the productive capacity of these installations. Their infrastructure allows it. With a small investment, and built by the people themselves, they will allow us to increase production.

Along with that, we started to build a metal egg-laying facility for 500,000 hens in the port of Boniato, up there. We began building the first 10 units there. We are also building a pork unit near Mella, just before you get to the mountains, in the old Miranda sugar mill. We have also started to build the access road so that we can build two more pork units near Contramaestre in the area of Laguna Blanca.

We had some problems with what we had been doing in the dams. You know that we are building Gota Blanca and Vivo to later build the canal that will connect the Baragua dam with Vivo. We will be able to desalinize Holguin's Salado River and use that water to irrigate San German in Urbano Norris.

I can tell you that those two dam brigades right now have already fulfilled the year's plan; both of them. Although they are not contingents, I assure you that those people are working with the same spirit, morale, enthusiasm as those who today are organized into groups.

[Castro] They could become contingents.

[Fernandez] I'm sorry?

[Castro] They could become contingents.

[Fernandez] Well, they meet the material conditions, Commander. They have the spirit, organization. It's possible that they may be missing some equipment or something like that, but the conditions....

[Castro, interrupting] Those in Gota Blanca were sent equipment. The brigade building Gota Blanca received equipment, but not the other one. What's the other one? Where is it?

[Fernandez] That's the Vivo one, here on the limits of Marcane back here.

[Castro] That's the Vivo brigade. How did those people fulfill the year's plan in 6 months? Explain that to me.

[Fernandez] Well, Commander, what a question. Now, this is my opinion because it is hard to explain. It's because they have worked to their production potential. First of all, with a true double shift. A true double shift. Because they are imbued with the determination to work well and do things well. This is an important aspect. From the brigade chief to the last worker. As for us, we have been more careful to get them all the material they need although you know that we have made mistakes—with tires, etc—elsewhere but not

there. Those things are to be well cared for. So, if you let those areas be affected by problems that might be present at a given time, then of course they will be demoralized because difficulties start cropping up and they won't be able to meet their goals.

I feel that the most important factor is that the workers and cadres there said they would do it. (?It is not a) matter of volunteer action. I feel this is what's decisive. Mistakes, problems of resources have not reached them there to determine results. Last year, when Comrade Lazo reported to you at the PCC Central Committee, I was sitting there embarrassed to death, thinking that you would ask about that dam. That was 8, 10, 11 months ago; not so long ago. Everything else was coming along more or less acceptably, except those two darned dams. A transformation has taken place there, Commander. They have completed their year's plan.

As to the housing problem, Commander, I would like to explain the following. We, the PCC Central Committee, said that we would guarantee or work to guarantee that 6,000 houses would be ready for occupancy from among those pending occupancy, those that had to be finished between August and December, and those we had to finish between January and July. In other words, it was not a matter of building or completing 6,000 houses, but to build, complete, and turn the keys over to the people.

[Castro] Severo, I think what's important about Eddie's report is that the people's government and the party are concerned with all the activities of the province, not just the area assigned to the people's government. In other words, they see the province's development as a comprehensive issue. They are interested in the whole picture, especially economic development. I think that is very important.

[Unidentified speaker] In connection with the population's requests, we would like to give you a figure for this process. We have grouped in the first and second [as heard] a total of 19,039 requests, of which 14,565 have been settled, for a 76.5 percent rate. These are the claims that are included in the reports back that the delegates make to the electorate. This does not mean that all of them have been resolved with materials. Some of them are resolved with measures and others with materials. This is what we wanted to report about our province. Do you have any questions?

Oh, also the infant mortality matter. We ended the 6 month-period with a 14.1 index and now our infant mortality rate is 13.5. This is up to now. We believe that we can reach the 12.5 goal by the end of the year. As you know, we ended last year with 13.1 and this year the goal is 12.5. Measures are being taken to reach 12.5.

Regarding the school term, which just ended, we can say it was much better than that of last year and it had a better retention rate. I believe we have had successes despite the problems. The province has problems, like any other place, but we are working on them. We are following the guidance you gave us.

[Castro] You haven't said anything about tourism. How about tourism?

[Fernandez] Well, regarding tourism, you know that we are working in La Marea de Portillo. Now we have a hotel—I believe it will have 110 or 120 rooms—in Farallones, which we are going to begin building in this second 6-month period. We added 30 or 36 more bungalows in La Marea de Portillo. They are being rented to Canadians. We have the extension of the (?Vidama) game preserve.

[Castro] What about the roads?

[Fernandez] I forgot to mention them. [laughter] We are working on them. We are working on the road from Bayamo to Montero. We are working on the portion of the road between kilometers 20 and 60. We already have 14 km with inverted penetration [penetracion invertida], 20 km of fine gravel have already been completed, and we are leveling some 15 km. We are working on the [words indistinct], we already have some 130 of the 170 small bridges. If everything goes well—considering the way we are working—this road should be completed by the end of 1989 or by 1990.

Comrade [name indistinct] is telling me that with the support you have given us we will probably complete the road by 1990. We are also working on the road from San Lorenzo to Marea.

[Speaker] This one is going to be completed by 1980 [as heard].

[Fernandez] This one is to be completed by 1980, [corrects himself] by 1989.

[Castro] How is the Cautillo dam going? How has the new brigade been organized there?

[Fernandez] Which dam?

[Castro] The Cautillo dam.

[Fernandez] We have double shifts. This dam has—let me look it up here—77 equipment units, 315 men, and 13 percent of it has been completed. As you know, it has a capacity of 85 million cubic meters of water and it has a 1.5 million peso plan for this year. It is on double shifts. We believe that the project is going well....

[Castro, interrupting] Some 1.5 million pesos of construction. How much is the dam going to cost? Are you saying 1.5 million pesos?

[Fernandez] The dam is going to cost some 10 million.

[Castro] And they are spending 1.5 million pesos a month. How can that be?

[Speaker] That can't be.

[Fernandez] I know it can't be. It can't be 1.5 million. [shuffles papers] Yes, this year it has 1.5 million pesos. Yes, 1.5 million pesos have been spent this year.

[Castro] Oh, this is what has been spent?

[Fernandez] Yes, this year. [Someone says: But this is not the limit] No, this is not the limit.

[Castro] This is the budget that it was given?

[Fernandez] Yes, there is no problem with it.

[Speaker] Commander, the dam is at a very advanced stage. There are no problems with completing it by December 1990. Work is being carried out at a good pace, workers are enthusiastic, and there is good management.

[Castro] True, but we wanted to begin building the Cauto dam this year. The big one. Are people being organized for this?

[Speaker] The personnel are already being selected. Pedro [not further identified] forgot to mention the Vicana canal problem. We need to form a brigade for it. The first kilometer of the Vicana canal was already completed. There are 15 km from the Vicana dam in Media Luna. So, we have the Cautillo and Coro dams, the completion of Vicana's Media Luna safety shunts, the construction of ther canal, and the beginning of Cauto Paso, for which, as you know, we should start building an access road.

[Castro] Well, the access road should start as soon as the dry season begins. We must have the construction [corrects himself] the conditions all ready to begin the roads. But it's going to have some 30 [words indistinct] a big, big, big force for that dam.

[Speaker] We already sent an expanded commission to observe the Blas Roca contingent to learn all the details, because that is going to be Granma Province's contingent, the one that builds Cauto de Paso dam. That is what we are hoping for.

[Castro] Well, that project is a big one [words indistinct] We have to build rapidly. There's something we would like to know. How many million quintals of rice will you produce this year with these 3,000 or so caballerias?

[Speaker] Some 4.5 million quintals.

[Castro] How much did you produce last year?

[Speaker] Four million.

[Castro] That is to say, you have an additional half million. When we have the Cauto dam, we will also send some equipment there for engineering projects in the rice fields, the semi-level terraces.

[Speaker] For the present systems, yes.

[Castro] Yes. What will the rice production figure in Granma be with the planned hydraulic and engineering projects we will build in the plantations?

[Speaker] You spoke about the hopes that the country would reach 18 million. A preliminary study we conducted in Granma with the national agriculture directorate states that Granma can produce 7.8 million quintals of rice by 1991-92.

[Castro] That's practically double what it produces today.

[Speaker] The land is there and we will have sufficient water. It depends on the resources that you already know about and with which you are helping; it can be done. For example, the winter yield right now is 1,500 quintals per caballeria. Even if for the 2 seasons this year we end up with an average of 1,100 or 1,200, nevertheless, the winter yield is 1,500 caballerias.

[Castro] It's 1,500 in winter.

[Speaker] Generally. Right now it's 1,600 or more.

[Castro] The results of the projects we are building are clear. How long will it take you to build the Cauto dam, the big one?

[Speaker] That's 400 million cubic meters.

[Castro] Yes, but it's going to allow you to better regulate that. Right now, it takes you hours to get the water from Cespedes down there. It will make a much better control possible.

[Speaker] Of course.

[Castro] How long do you think it will take to build the dam, assuming that we start as soon as the dry season begins?

[Speaker] That has not been determined yet, Commander. You proposed that these two dams, Cautillo and Coro, be built by 1990. This is going to take more than 3 or 4 years. More. In addition....

[Castro, interrupting] It depends on the equipment we supply.

[Speaker] Eh?

[Castro] It depends on the equipment we supply.

[Speaker] Of course. And also on our capacity to rebuild the houses that will be affected by the dam, more than 2,000.

[Castro] Whew!

[Speaker] It is a very extensive dam.

[Castro] Yes.

[Speaker] You were asking about Cautillo. The estimate is 10 million pesos.

[Castro] How much?

[Speaker] Ten million.

[Castro] As projected?

[Speaker] Yes.

[Castro] You might be able to build it with less, isn't that so?

[Speaker] Yes.

[Castro] You are working double shifts there. But we are going to work only one shift at the big one, isn't that right? What are the plans with the Cauto dam?

[Speaker] Which one?

[Castro] The Cauto dam.

[Speaker] In what sense?

[Castro] Whether one or two shifts.

[Speaker] Two shifts. I was telling you that the guy from the Blas Roca contigent came here....

[Castro, interrupting] Of course, the thing is that with a bigger project, the double shift is more difficult. It's not the same as having a relatively small brigade working a double shift.

[Speaker] The problem we have found in other dams, Commander—you also spoke about it—is that the double shift cannot be 100 percent. There are some projects and workshops that require it, others don't. The basic equipment. Not being mechanic and say 100 percent of the force on double shift. [sentence as heard]

[Castro] Of course.

[Speaker] Our problem, which is a problem....

[Castro] Your most serious problem is those 2,000 houses.

[Speaker] That's Cauto de Paso only, not counting Cautillo, Coro. The province is facing a very big challenge. We have to build more than 3,000 houses in the province, not to benefit anyone new but for those who will be affected by the dam.

[Castro] You are going to benefit them anyhow because I'm sure they are not living in any palace there.

[Speaker] We have to build them. There's no doubt about it.

[Castro] Do you have scattered peasants living there?

[Speaker] In the area of these dams? Yes, they are scattered, most of them. We are also affecting two cooperatives with Cauto del Paso. We have found the areas to relocate them, etc. But of course, there's no comparison with the benefits that the impounded water will bring.

[Castro] So you are going to execute a much bigger housing program in the next few years, 1989-91. Where are you getting the cement?

[Speaker] Well, we are receiving it from Nuevitas, from Cienfuegos.

[Castro] How are you getting it?

[Speaker] By ship, train, trucks, any way we can. We haven't really been able to fulfill the cement delivery plan so far. It's about 18,000 tons a month for all the organs. There have been some difficulties, as you know.

[Castro] That's 18,000 tons a month?

[Speaker] Yes.

[Castro] But you are going to need more in 1989-90. How do you get the largest part?

[Speaker] The best way for us is by sea. Not Manzanillo [words indistinct] by Niquero, where we have a very good pier. It's been unloaded now. And we get it by other means: rail....

[Castro, interrupting] Does the new road help? How do you get the cement to Bayamo if you unload it at Niquero?

[Speaker] Via the Niquero-Manzanillo-Bayamo road. Although we try....

[Castro, interrupting] How about the new one?

[Speaker] Yes, of course. You are talking about the Manzanillo-Miradero road.

[Castro] Yes.

[Speaker] What we always try to do when we get a shipment through Niquero is to keep that cement on the coast, Manzanillo, Niquero, and (Pilon). The cement that comes by rail, Nuevitas, or road, we try to keep it in the old Bayamo region so as to save on fuel.

[Castro] Yes. [Words indistinct]

[Speaker] It must be said, Commander, that what you said about support for the eastern provinces has been.... [changes thought] Although the need is very pressing, there are comrades, workers, revolutionaries who think that we'll finish with electrification right now, tomorrow. In fact, as Pedro was saying, to bring electricity to 10,000 houses last year, to have 8,200 electrified in the first half of 1988, and to end the year with 17,000 is a considerable step forward. Also....

[Castro, interrupting] It's an incredible step. I don't think there's any precedent anywhere for the short time it will take to electrify the eastern mountains. This despite the fact the settlements are very scattered—it's a record.

[Speaker] We would also have to talk about the number of telephones installed on the mountains. They can talk to Havana as well as to Moscow; they can call their children in socialist countries.

[Castro] Good thing, because here we can't even talk to Marianao. [laughter] Good thing.

[Speaker] The service is better than in Havana. That's clear. As the communications minister said the other day, this is all part of the Turquino plan: roads being built, paths being improved. There are more than 20 bakeries to be inaugurated on 26 July on the mountains. There are schools. In short, the Turquino plan is also moving along, not at the pace we would like, but moving along nevertheless; there is no doubt about it. This is part of the support program for the eastern provinces.

[Castro] Of course. There's something else. How is the pediatrics hospital doing?

[Speaker] The pediatrics hospital is quite behind schedule, Commander.

[Castro] What is it?

[Speaker] It's behind schedule.

[Castro] It's behind schedule. What is holding it up?

[Speaker] The materials. There are no prefabricated elements. The rest of the material this kind of project requires....

[Castro] Those are OK.

[Speaker] Yes, yes.

[Castro] How about the mechanical plant?

[Speaker] The one that is going to manufacture the [word indistinct] equipment?

[Castro] Yes.

[Speaker] The old....

[Castro, interrupting] Well, it's going to manufacture other things, but [words indistinct].

[Speaker] We are calling it the old spare parts factory, because we are going to build another one next door. And the old one, we will use for the equipment, as you proposed. The studies have been completed. With the two buildings in Manzanillo and the old Bayamo spare parts factory, we will produce the 400 [words indistinct] you proposed for next year. After that we will produce 500 a year as you proposed. It's going at a good pace.

[Castro] So it's going to become a very important industry with a great deal to contribute to the economy. You also have the Manzanillo plant, which.... [changes thought] How is the plant for educational equipment doing?

[Speaker] The one in Manzanillo? The project is practically finished. There are equipment problems. Comrade Jose Ramon Fernandez [education minister] visits it repeatedly. The factory was begun without the plans being defined. What kind of equipment, and where were we going to buy it? A number of equipment items have been installed. We lack a still undetermined amount of equipment; we haven't determined what country to buy it in, etc. However, it might start producing by the end of the year.

[Castro] How about the famous pedagogical school, which had so many delays?

[Speaker] We are determined to provide room for 450 by September. The cafeteria will not be completed, but we will do the cooking in temporary quarters. We are building the [words indistinct], the cafeteria for the second training unit. We have made progress but we have had problems.

[Castro] How about the medical school?

[Speaker] It's making progress. We are working on the gym. The [word indistinct] was completed. In other words, a lot of progress has been made.

[Castro] Were the sports facilities completed in general?

[Speaker] Yes. It has a baseball field, track and field, basketball, a gym, a pool—we are working on the pool. We have some things still to do, but the basic facilities are near completion.

Haiti

MIDH's Bazin: Dialogue 'Absolute Necessity'

FL2907213488 Port-au-Prince Radio Nationale in Creole 1300 GMT 29 Jul 88

[Text] In a message over Tele-Haiti's Channel 2 last night, MIDH leader Marc Bazin called for a dialogue in Haiti. He urged unity in order to safeguard the nation. MIDH is the Movement for the Establishment of Democracy in Haiti.

Mr Bazin stated that despite the risks and many problems involved, dialogue is the only solution and would be good for the entire country in general; in fact, it is an absolute necessity. It is true, and will always be true that through dialogue a country can progress. According to the MIDH leader, in any case, the offer of dialogue is presently on the table. This is a formula we have never tried before. Let's give it a chance, said Bazin. This is his opinion.

According to Bazin, dialogue is one of the few remaining paths left to avoid the disaster the country (?is facing) at present, to prevent the country's further deterioration, to avoid division, to prevent an already torn and poor country from becoming even poorer. Bazin added that now there is an imperative need for dialogue. However, he thinks there are many matters that must be examined, such as what the objective of the dialogue will be, what preparations are needed in order for the dialogue to take place, and so forth.

The MIDH leader believes that it is up to the government to take the initiative in each of these important issues and to set up a large commission. The government could perhaps begin by organizing a number of meetings between representatives of the Army, the administration and political parties, the private sector, the churches, the civilian society, and the unions. The goal of these commissions would be to quickly prepare a set of proposals and recommendations designed to allow the dialogue to begin quickly so as to save this country, which is is terrible condition.

Bazin's message was in French, but we think you will not mind hearing an excerpt of his message.

[Begin Bazin recording, in French] The major fact today is the fact that the Army is holding the reins of power. This is an established fact, whether we like it or not. Although this established fact does not put an end to the serial drama constituted by the evolution of the political scene since 7 February, it is nonetheless true that in order to try to make progress, we must begin with this fact. But on what basis?

The regime inherited on 20 June is, by its very nature, not defined either by written laws or by a constitution. Rather, it consists entirely of General Namphy, the man, and the Army, the institution. It is only what they say and do that orients our thought. We thus have to wait for them to make known the direction in which they intend to go during their new experiment in power. Gen Namphy spoke on 8 July. What did he say? In this connection, he said: Nothing lasting can be built without effective and disinterested participation by all Haitians.

After reaffirming the commitment to pursuing the democratic process, Gen Namphy invited us to make a new start and to consolidate the acquisitions of 7 February. Then he added, wisely: The salvation of Haiti of necessity entails a national consensus. [end recording]

Further on Dialogue Call

FL2907215088 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 29 Jul 88

[Text] Yesterday, 28 July, Marc Bazin, leader of the Movement for the Establishment of Democracy in Haiti, MIDH, spoke on how he viewed the country's current political situation and how to clear up this situation. Mr Bazin pointed out that the country is still hurling downwards into the abyss and that the situation is serious. Nevertheless, he said we must pull out of it. However, in order for us to pull out of it, we must learn from events over the past few years and there must be a dialogue.

[Begin Bazin recording] The dialogue should have three phases. The dialogue itself constitutes the first phase. The second phase is a national discussion, which I call a national debate. The third phase is a national pact. Let me try to describe the first phase to you. The way I see it, there are three issues that the national dialogue should address immediately.

The first issue is: What can we do to create jobs in Haiti? What can we do to create work for the poor in Haiti? What can we do to prevent the poor from having to pay taxes so that those who are poor don't have to pay what they do not have? What can we do to help the poor, the small businesses—those I was talking about a while ago—find money with which to develop? What can we do to get the bank to lend investors more money so that they can create jobs for the poor? That is a first issue that we would like discussed in this dialogue. This is the most important issue in the country: creating jobs so that the poor can earn their bread. Thus, I suggest that this be the first matter addressed in this national dialogue.

The second issue that should be addressed in the national dialogue is: What are we going to do about the Constitution that the people ratified in 1987? How are we going to use the dialogue to get them to put into the new constitution the things in the Constitution of 1987 that the people wanted? How is the referendum going to take place? They promised us a referendum. We have to be involved in it so that we can discuss it.

They also told us there is going to be a process of democratic normalization. What exactly is it? How will it be carried out? What does that mean? What is in it and what is not in it? When is it going to take place? This is a second series of questions to be included in the dialogue.

The third issue we would like examined during the dialogue is the matter of security; the matter of protecting the Haitian people in the streets of Port-au-Prince, the business of shooting during the night, the business of frightening children and scaring heads of households. The ill cannot get well. The final days of the elderly are being troubled. And, friends, Haiti's image is not good when there is shooting going on all night. Thus, we would like the issues of security, human rights, freedoms, and guarantees for the basic rights of Haitian citizens to be discussed during the dialogue.

Now, how can this dialogue take place? Well, in order for it to take place, the government itself would have to say: OK, we will form a commission since General Namphy himself said: Nothing lasting can be done without a national consensus. Gen Namphy told us: Let's make a new start. Let's start off on a different foot. Let's talk. Let's discuss things.

Since this is the case, it is up to him to form a big commission to address each issue. I just spoke to you on three issues. Well, there should be a commission for each issue. Thus, there should be three commissions. Each of these commissions should be made up of representatives of the political parties, the employers, the workers, the church, the civilian society, and the unions—who should sit down with representatives of the Army and of the administration to examine the matters that I just mentioned.

This is the national dialogue. But there is something else we need: a national debate.

The people working on the national dialogue are going to prepare proposals, make recommendations, and say: Here's what needs to be done. Here's how you can create jobs for the poor. Here's how you can obtain money for investment. Here's how you can obtain money for tailors, hairdressers, and so forth.

Well, we will discuss all these recommendations and proposals over the radio and at roundtables during seminars in the various provinces and departments so that everyone, whether you are... [fades out] [end recording].

So that everyone can give his opinion on these things. According to Mr Bazin, out of all this will come a final document that will serve as a foundation for us to move ahead and eventually formulate a contract that will be accepted by all sectors of society. Mr Bazin acknowledged that the Army must have its place in the debate, but beware!

[Begin Bazin recording] You are independent, but you must be neutral. If you are to be independent, you cannot be in favor of anyone. You must belong equally to the entire country. The Army should not be the property of any individual, group, or clan. The Haitian Army is the army of all Haitians, of the entire nation. That is why we ourselves feel that you cannot direct a match, you cannot be the referee on the playing field, if every time you make a decision the players see that you are on the side of a single team. If you are always on the side of a single team, they will always question your authority as referee. That is why we are asking the Haitian Army not to be anyone's referee. When the match is played, the Army should be neutral. It should take the side of he who is right, knows what he is doing, and is acting in the interests of the people.

Many people are going to ask: Do you think they are serious? Gen Namphy has asked for a dialogue. Do you think he is really ready for a dialogue? Could this dialogue business be a maneuver?

To tell you the truth, I don't know. I just can't say. But what I can tell you is that this is the first time we have been given such a chance, where they say to us: Let's talk. So it is a chance we should take because we are not in the habit of doing things this way.

Second, there are two or three things that lead me to believe that maybe we do have a chance. For example, friends, look at the state the country is in! It is poor, divided, torn asunder. Is it really in the government's interest to take responsibility for all these catastrophes all by itself? [end recording]

PDCH on Bazin Message, Talks With Army

FL0108160088 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 1 Aug 88

[Text] In connection with Marc Bazin's 28 July message, the Haitian Christian Democratic Party [PDCH] wonders if the party leader has not made some kind of mistake. The PDCH says in a press release: We do not reject the principle of dialogue. However, as regards a dialogue with the Army, Lieutenant General Henri Namphy has already shown us what can be expected.

Namphy has always engaged in the dialogue with the Haitian people the leader of the MIDH [Movement for the Establishment of Democracy in Haiti] is asking for. The idea of the train [tren chou chou a], the democratic euphoria, the business of the Army not having any political ambitions, the Constitution, free and honest elections, the business of how the candidate who receives the most votes should be the winner of the elections—these are all the things that the general has always talked to the Haitian people about, says the PDCH.

The PDCH continues: Talking about all these things for the past 2 years has led us to where we are today. After making himself president, the general told the French newspaper LIBERATION that he mistrusted the democratic sector and that he would never forget what the

opposition has said in the past. In short, the future of the opposition will depend on how well it bows its head to the military government, the PDCH press release states.

It adds: Gen Namphy does not represent the aspirations of the Haitian Army, and we cannot imagine him as an interlocutor—that is, as someone capable of engaging in dialogue, as a valid interlocutor in a national dialogue. The PDCH asserts that it is not Gen Namphy who should invite us to such a dialogue.

It goes on: It is not Namphy who should invite us to a dialogue, after being responsible for all the evil deeds that have been committed in Haiti since February 1986. We (?would like) a dialogue with the Army, but not until the Haitian people's rights are respected. In other words, a dialogue is not possible without the Constitution of 1987, which is the expression of the people's rights, the expression of the national sovereignty.

The PDCH further says: During the first month of the National Government Council, the PDCH engaged in a dialogue with the general so as to continue to edify and be able to inform the nation. The general promised the PDCH everything and, in the final analysis, delivered what you witnessed on 29 November 1987 and 17 January 1988.

At the United Nations, the general made many pretty promises, which he then proceeded to simply ignore.

For 2 years, Namphy received a number of contributions from all over the world, and all he did with them was buy weapons with which to murder the Haitian people. The PDCH continues: So, is it really possible for us to have a partner like that? A partner who is unrepentant? If the answer is yes, then we might as well bring Hitler or Mussolini back from the dead.

The PDCH also says that it does not know (?what) Marc Bazin, the envoy of a small group, (?has in mind), but the PDCH thinks that Bazin is wrong. Bazin spoke of a dialogue addressing the problems of jobs, food, and other problems. The PDCH notes: A great economist and politician should not (?pretend to be) unaware of the fact that it is economic stability that will bring political stability. Luckily, the Haitian people's behavior is mature and the Haitian people understand, inasmuch as they have been asking for justice and freedom since 7 February 1986.

The PDCH continues: It is time to stop doing all these vile things to the Haitian people. It is time for us to transcend this. It is time for us to have some scruples, and some shame. Is the government capable of this?

The PDCH says: The Haitian Army under the command of the general can consider itself part of the opposition. PDCH adds: Here is the sincerity that it asks of all leaders. The PDCH asks all the leaders who wish to become the Haitian people's spokemen to begin the dialogue among themselves and with the people first, in order to verify (?the people's mandate) before confronting the other side, to see if those people are valid.

The way we see it, all these things show the need for a change of leaders, who are going in the direction of the people. Hence a true dialogue among all the leaders, beginning with the people, in order to see where we are going is needed. For the time being, we cannot engage in any dialogue with the Haitian Army after everything that has happened from 1986 to the present.

Government Declaration on C.A. Situation

PA0108173888 Mexico City EL DIA in Spanish 31 Jul 88 pp 1, 3

["Text" of "declaration" issued by the Foreign Secretariat in Mexico City on 30 July]

[Text] In view of the tense Central American situation and the standstill of the negotiations to reach a peaceful solution to the regional problems, today the Mexican Government reasserts its firm conviction that respect for the Central American people's right to self-determination and for a peaceful resolution of controversies is an essential condition for peace and development. Consequently, the Mexican Government also reiterates its rejection of all forms of foreign intervention and the use of force or coercion, which have been hindering understanding among Central Americans and the diplomatic efforts of the Contadora and Support Groups.

It is essential that the commitments made by the Central American governments at Esquipulas in August 1987 be completely fulfilled. It is worrisome that in most cases, no specific steps have been taken to fulfill those comitments and that in other cases, positive efforts—such as the Sapoa talks between the Nicaraguan Government and the counterrevolutionary forces—have been blocked and violated by interests that continue believing in imposition, intolerance, and force.

In view of the aforementioned situation, the call made by the Contadora and Support Groups to the five Central American countries in Mexico City on 27 June to establish an independent, impartial verification mechanism to guarantee the fulfillment of the Esquipulas agreements and to resume talks to resolve all pending problems concerning security matters is still valid. In short, the Mexican Government stresses the political need to hold talks and negotiations to resolve regional conflicts without excluding any Central American government. The principle of nonexclusion, which is the basis of the peace process the Contadora Group began in 1983 and Esquipulas confirmed, must be respected to avoid increasing polarization and antagonism.

Similarly, the Mexican Government reiterates that the normalization of relations between the United States and Nicaragua is essential for regional detente.

As a member of the Latin American community, the Mexican Government reiterates its willingness to continue contributing to the search for peace and cooperation in Central American development.

Opening of First Nuclear Power Plant Postponed

FL2807142688 Bonaire Trans World Radio in English 1130 GMT 28 Jul 88

[Text] The Mexican Government says it is indefinitely postponing the opening of a $3-billion dollar nuclear power plant about 180 miles east of Mexico City. It was to be Mexico's first source of nuclear energy.

Briefs

Nonoil Export Figures

Yesterday Alfredo Phillips Olmedo, general director of the National Foreign Trade Bank, reported that foreign trade goals had been exceeded: 1988 nonoil exports are estimated at over $14 billion—66 percent of total exports. In 1982, they equalled 22 percent. Manufactured exports exceeded $12 billion this year; it is believed exports in the last 5 and ½ years have exceeded the amounts recorded in the past 82 years. Hector Hernandez Cervantes, commerce and industrial development secretary, has said the country's trade balance has shown surpluses in the last 6 years and by the end of 1988 there should be a $5.25-billion surplus, a figure that negates the deficits recorded in the past 30 years and a figure that would be enough to pay for 70 percent of the interest on the foreign debt in that same period. Phillips Olmedo said that in the 1st 5 months of 1988, agriculture exports show a $500-million trade surplus and the export of flowers, orange juice, fruits, vegetables, and other Mexican agricultural products has increased. [Summary] [*PA2807235588 Mexico City UNOMASUNO in Spanish 26 Jul 88p 13*]

El Salvador

Duarte Departs for Chemotherapy in U.S. 2 Aug

PA0208035788 San Salvador Canal Doce Television in Spanish 0320 GMT 2 Aug 88

[Report by Mauricio Funes]

[Text] This morning President Jose Napoleon Duarte left for the United States where he will undergo a second series of chemotherapy treatments at the Walter Reed Hospital. As is known, the treatments were recommended by specialists to improve his quality of life and to prevent the spread of cancer to other parts of his body. According to doctors, President Duarte might live 6 to 8 months. With this second chemotherapy treatment, specialists will analyze his physical condition to see if he is able to continue in office until July 1989, when he should turn over power to the candidate elected in the general elections.

Since his return to the country after surgeons removed three-quarters of his stomach, Duarte has attended several public events. The president has told the press that he has enough strength to fight his disease and to carry out his presidential duties.

Duarte will be out of the country for approximately 8 days during which time he will be replaced by Vice President Rodolfo Castillo Claramount. The president traveled with his wife, Ines, and two of his children, Napoleon and Lorena Duarte. He was seen off at the Comalapa Airport by Dr Abraham Rodriguez, first presidential designate, U.S. Ambassador Edwin Corr, and relatives. Unlike previous departures, members of the cabinet and military authorities were not present on this occasion.

Defense Minister Reports Army, FMLN Casualties

PA2907132488 San Salvador Radio Cadena YSU in Spanish 1800 GMT 28 Jul 88

[Excerpts] This morning General Carlos Eugenio Vides Casanova, Salvadoran defense and public security minister, appeared before the Legislative Assembly to present a report on the work done by his ministry over the last year.

The report emphasizes that between 30 June 1987 and 31 May 1988, the Army inflicted a total of 2,766 casualties on the FMLN. The report adds that 642 FMLN members were killed, 848 were injured, 1,223 were arrested, and 53 FMLN guerrillas surrendered at various military garrisons.

Defense Minister Gen Vides Casanova asserted that the Army only sustained 807 casualties during the aforementioned period. He added that 465 soldiers died, 1,554 were injured, and 20 are missing. The Army asserts that of the injured and missing soldiers, 1,232 soldiers' lives were saved or they were found. [sentence as heard] [passage omitted]

Defense Minister Vides Casanova described this past year as positive and successful for the Army and said that the country has made some progress concerning human rights and international support. According to Vides Casanova, there has been a 50-percent reduction in the guerrillas' fighting capacity during the last year.

Gen Blandon Announces New Operations

PA3007023688 San Salvador Radio Cadena YSU in Spanish 1800 GMT 29 Jul 88

[Report by Guillermo Valencia]

[Excerpt] [Passage omitted] General Adolfo Blandon, chairman of the Salvadoran Armed Forces' Joint Chiefs of Staff, has said that in the next few days the Army will change its war strategy by concentrating its combat actions at night. According to Blandon, the Army will go from fighting 40 percent of the time at night to 60 percent.

[Begin Blandon recording, in progress]...the entire team of the Joint Chiefs of Staff and the brigade, detachment, and rapid deployment commanders. The purpose of the meeting was to analyze the first 6 months of operations and the development of "Operation Acaxual." To give some statistical information that may interest you, the nationwide "Operation Acaxual" is being conducted as follows: We have carried out 24 major operations, operations that last more than 8 days in one specific place or zone. We have also carried out 10 medium military operations. They last up to 72 hours. We have conducted three minor operations. The most important thing may be the permanent military operations in guerrilla zones.

I can say now that in the 1st months of the year, "Operation El Paraiso Heroes" has been the most successful. There are other actions conducted in parallel with this operation. These are purely tactical and military actions and restoration actions. The restoration not only involves physically repairing the damage Chalatenango Department or community may have suffered as a result of conflict, but also repairing the psychology and way of thinking of many Chalatenango residents. Toward that end, we are conducting and expanding psychological operations. In "Operation EL Paraiso Heroes," we are also working together with government organizations to restore some zones in that department that are valuable for farming and strategic purposes.

Another important operation is being conducted in Usulutan. The goal is to provide security to Usulutan Department, because it is one of the most economically important in the country. As you know, that department produces seafood, cotton, basic grains, and coffee. It needs special attention so farmers and laborers have some security. We are also presently conducting a very important operation in northern Torola called "Perquin II." Units of the 3d Infantry Brigade and special units are actively working in it. The chief objective of this operation is to find and destroy terrorist redoubts. They

are taking advantage of the border areas and the proximity of the Honduran border to avoid fighting our units. Overall, we have reached the objectives of "Operation Acaxual": to maintain a permanent initiative through [2-second break in reception] also a permanent offensive. [passage omitted] [end recording]

Further on Operations

PA3107142288 Panama City ACAN in Spanish 0222 GMT 30 Jul 88

[Text] San Salvador, 29 Jul (ACAN-EFE)—Today the Salvadoran Armed Forces reported it has been successful in its military operations during the 1st half of 1988 and has disrupted the guerrilla's main plans.

An Army command staff report, presented by Defense Minister Eugenio Vides at a news conference today, indicated that during the past 2 years, the Armed Forces have gained mobility and penetration throughout the country and have been able to disperse the rebel forces.

Armed Forces Commander General Adolfo Blandon, National Guard Director General Rafael Larios, Treasury Police Director Leopoldo Hernandez, and four infantry brigade commanders were also present at the news conference.

Blandon stated the most successful military operations had been "Acaxual" and "El Paraiso Heroes." These operations combined military tactics, restored war areas, and ideologically regained war area residents.

Vides said the Army has held simultaneous military operations in three or four areas within the country for the past 2 years and has operated in unit groups of 20-25 men.

The defense minister also stated military operations were held during the day 80 percent of the time and at night 20 percent. Vides added that the Armed Forces defeated the "Fire" guerrilla plan. This FMLN plan attempted to incite people to rebel by promoting popular demonstrations and street activities.

The Armed Forces have prevented the guerrillas from mobilizing the country's rural population for their purposes and has also stopped them from receiving weapon shipments, by air or sea, from Nicaragua.

The military commander noted the Armed Forces will be "tough" and will not have "tolerance" with the leftist political leaders that returned to the country nor with the infiltration of some 200 rebels in San Salvador.

According to the military commander, the return of FDR leaders Guillermo Ungo and Ruben Zamora "has been the source of opposition and morale deterioration in the Army."

Nevertheless, Vides added, the return of the FDR leaders had the political advantage of "strengthening the democratic process and has demonstrated to the world we are a country that has the conditions to offer openings to both the leftists and the rightists."

The defense minister announced that the Army is presently evaluating the purchase of water cannons, plastic bullets, electric batons, and new shields to confront street demonstrations "infiltrated by guerrillas."

Leader of 'Revolutionary' Organization Murdered

PA3007195988 Panama City ACAN in Spanish 0230 GMT 30 Jul 88

[Excerpt] San Salvador, 29 Jul (ACAN-EFE)—A new political organization—which calls itself revolutionary—reported the death of one of its leaders today, blaming the death on the Salvadoran Government and Armed Forces and on the U.S. Embassy in the country.

Three leaders of the "Bread, Land, Work, and Freedom Movement" [Movimiento Pan, Tierra, Trabajo y Libertad] (MPTTL) condemned the murder of Rigoberto Orellana. Orellana was a member of the MPTTL Political Committee and secretary general of the Salvadoran Coordinating Board Against Hunger and Repression [Coordinadora Salvadorena Contra el Hambre y la Represion]; both organizations were recently formed.

MPTTL leader Jorge Villegas, a teacher, stated that Orellana had been hit by a vehicle that was pursuing him and that he was left on the road to die of cerebral contusions. This happened on a northeastern street of San Salvador on Thursday.

Villegas said: "Orellana's murder is a clear example of the Armed Forces High Command's plans against popular organizations. These actions violate the rights of humanitarian organizations." [passage omitted]

FMLN Comments on Week's 'Political Events'

PA0208043988 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 1 Aug 88

[Station commentary]

[Text] This is our commentary on this week's political events. The last week of July was intense with regard to all aspects of the revolutionary process. Mass mobilizations in San Salvador, numerous ambushes on the highways, the administrative corruption scandal, the approval of the state of emergency law, and the murder of popular leader Rigoberto Orellana were the [words indistinct].

The body of popular leader Rigoberto Orellana, general secretary of the Coordinating Board Against Hunger and Repression and member of the directorate of the Bread, Land, Work, and Freedom Movement [MPTTL], was dumped in the Colonia Laico neighborhood of San Salvador on Thursday. This act was the culmination of a

full-fledged psychological warfare campaign unleashed by the government against mass organizations, particularly the MPTTL. (?There was) an exaggerated military display in the capital city on Thursday and Friday, as thousands of Salvadorans commemorated 30 July 1975 [date on which government troops fired on student demonstrators, killing some and wounding others].

While the regime's lackeys were murdering Rigoberto Orellana, the Legislative Assembly was passing the state of emergency law, a terrorist law that legalizes the repression of the working class. On Thursday morning, [Defense Minister] Vides Casanova announced that the forces of repression are purchasing electric prods and similar devices to make repression against the people more sophisticated. The government is beating its war drums against the people, and the people have no choice but to respond with war to the High Command's war.

Meanwhile, in the high circles of power, the scandal of corruption continues (?to undermine) the bloc of anti-humanitarian forces. [Former Culture Minister] Roberto Viera, who suffers from a [words indistinct] persecution complex, went before the Legislative Assembly to level formal charges of corruption against the spokesman for the Legislative Assembly's commission investigating corruption.

The Christian Democratic Party is counterattacking ARENA [Nationalist Republican Alliance] in the corruption game. In addition to legislator Francisco Romero, Ernesto Mason and other people linked to ARENA have also been accused of embezzlement and other misappropriations. The corruption game reached the limits of cynicism when, with a smile on his face, Christian Democratic legislator (Eligio Diaz) denied all charges of corruption leveled against him in the Legislative Assembly.

On the international scene, the Guatemalan Government adopted an independent position when it rejected pressure from the United States to join the governments of Honduras, El Salvador, and Costa Rica in an anti-Nicaraguan bloc. The reassertion of Guatemala's active neutrality policy has dealt a hard blow to the Reagan administration's plan to isolate the Nicaraguan Government within the Central American region.

In closing, in the United States, opinion surveys continue to point to Democratic Party candidate Michael Dukakis as the favorite to win the November presidential elections.

Guatemala

Cerezo Comments on Meeting With Shultz

PA0108234388 Panama City ACAN in Spanish 2310 GMT 1 Aug 88

[Text] Guatemala City, 1 Aug (ACAN-EFE)—Today Guatemalan President Vinicio Cerezo said that in his meeting with U.S. Secretary of State George Shultz there were differences but that they agreed on the search for peace in Central America.

Shultz had a private meeting today with the Guatemalan president in the Presidential Palace, a meeting which, according to Cerezo, was conducted in complete harmony and within the broadest framework of frankness and respect. However, he did not specify the areas of disagreement with the U.S. official.

Cerezo said that he told Shultz of his hope that the Central American foreign ministers meeting, excluding Nicaragua, would promote the democratic principles to which all the Central American peoples aspire.

He added that during the meeting, he and the U.S. diplomat discussed the activities and talks that had been held prior to the meeting with the Central American foreign ministers.

Cerezo said that although there were points on which they disagreed, they did agree that at this time the democratization process and the search for peace were the main topics of any negotiations and are basic to any endeavors to promote the Central American peoples' development.

Cerezo said that during the meeting, he and Shultz also discussed aspects of bilateral Guatemalan-U.S. relations.

Some matters remained pending for discussion on future occasions, particularly economic cooperation agreements and military support, although assurances were given that the latter will be granted within reasonable limits.

The Guatemalan president said that U.S. cooperation is extended primarily within the framework of support for the democratization process in this Central American nation.

He said that it is necessary to explain that when high-ranking officials of friendly countries make official visits, they do not necessarily do so for the purpose of exerting political pressure on the host government.

The most important thing, the Guatemalan president said, is that there is a willingness to hold dialogues to search for solutions to the region's problems.

'Commotion' Over Allegations of 'Shultz Plan'

PA0108200488 Guatemala City Teleonce Television in Spanish 0400 GMT 1 Aug 88

[Text] Statements by Deputy Edmond Mulet on 29 July on the alleged existence of a so-called Shultz plan has caused intense commotion. He cited reports in the hands of the Congress Foreign Relations Commission.

On 26 July, U.S. roving Ambassador Morris Busby visited the Guatemalan Foreign Ministry to ask Guatemala to sign a joint declaration on 1 August that would be signed by U.S. Secretary of State George Shultz and four Central American countries, excluding Nicaragua.

The Guatemalan Government rejected this document after consulting with the cabinet, military hierarchy, and the country's most important political parties, which decided the country should not sign this document.

Guatemala presented an alternative document that was rejected by Ambassador Busby. He said if Guatemala refused to sign the document presented by him, the country would face disastrous consequences.

Christian Democrats Reject U.S. 'Pressures'

PA0208000088 Guatemala City EL GRAFICO in Spanish 1 Aug 88 p 78

[Paid advertisement by the Christian Democratic Party dated 1 August: "The Christian Democratic Party Rejects U.S. Government Pressures"]

[Text] The Christian Democratic Party

In view of the increasing pressures exerted on the highest ranking government authorities, particularly on the Foreign Ministry, by U.S. Government representatives in the past few days, pressures which, it has been learned, have been combined with veiled threats of economic reprisals, all of this to force our country into participating in a united front to isolate and condemn Nicaragua in order to set the stage for the definitive liquidation of the Esquipulas II peace plan and the start of a violent confrontation of unforeseeable consequences for the region:

1. Rejects the disrespectful and interventionist attitude that goes against the principle of the free self-determination of peoples demonstrated by the actions of Morris Busby and Secretary of State George Shultz.

2. States that the destiny of our peoples and especially our young people, who have the right to exist in a climate of peace and stability, cannot be tied to the U.S. Government's arbitrary and electoral considerations. Guatemalans will not lend themselves to such a maneuver.

3. Urges representatives of all the Central American governments together and inspired by the spirit and letter of the Esquipulas agreements to prevent this interference in the region's politics and to reaffirm their desire to build peace through the participation of all national sectors of countries directly involved in the process, barring none. All those who, respecting the sovereignty and independence of states, wish to contribute to the achievement of the peace plan's objectives may join this effort.

4. Expresses its total support and solidarity with the honorable and energetic reply that President Vinicio Cerezo, Foreign Minister Alfonso Cabrera, and the government team in general have given to this new initiative that seeks to lead our peoples to war and destruction.

Guatemala City, 1 August 1988

Cabrera Refutes Statement

PA0208022188 Paris AFP in Spanish 0138 GMT 2 Aug 88

[Excerpts] Guatemala City, 1 Aug (AFP)—[Passage omitted] The meeting between U.S. Secretary of State Shultz and the four Central American foreign ministers was carried out in a climate charged with press rumors and barely veiled charges by some of the participating delegations that the United States was exerting very heavy pressure to produce a declaration condemning Nicaragua.

However, at the end of the meeting, the four Central American foreign ministers were in total agreement in denying these reports and in stating that the talks with Shultz were "frank and sincere." [passage omitted]

The Guatemalan foreign minister told the news media that he did not know the origin or basis of a public statement issued today by the ruling Christian Democratic Party, of which he is secretary general, urging President Vinicio Cerezo firmly to defend to Shultz the policy of "active neutrality" in the Central American conflict that the government has pursued to date.

"I am going to order an investigation into how this statement came to be released and will discuss the matter with the party leadership," Cabrera said, attempting to demonstrate the falsity of the reports of U.S. pressure on Guatemala and Costa Rica to join in a harsh condemnation of Nicaragua. [passage omitted]

Honduras

Unidentified Aircraft Bomb Town in Ocotepeque

PA0108165288 Tegucigalpa Voz de Honduras Network in Spanish 1120 GMT 1 Aug 88

[Report by Wilman Torres—broadcast in progress]

[Text] ...that has come from Ocotepeque Department. Three unidentified helicopters and one plane have bombed a town in Ocotepeque Department. We repeat: Three unidentified helicopters and one plane have bombed a town in Ocotepeque Department. Reports provided by Mr Mario Flores indicate that residents of El Volcan, Ocotepque Department, were greatly alarmed and frightened by the suprise attack carried out by three helicopter and one combat plane. The attack took place on the slopes of El Volcan mountain. Area residents have their farms here.

The bombing took place at approximately 1100 and lasted 30 minutes. The local farmers have not gone to their fields in the region where the bombing took place. They wonder: Where do the planes that carried out the operation come from? It is important that the high military command provide an answer. The residents are nervous and worried. El Volcan town is a purely Honduran village. It was here that three helicopters and one plane carried out the attack. So far, it is not known if the aircraft are Guatemalan, Honduran, or Salvadoran.

Some people, including Samuel Fernandez Villega, Nora Maria Arita Santos, Juan Antonio Arita, Carlos Arturo Hernandez Arita, Jilma Raquel Arita, Licia del Carmen Arita Palencia, Maria Arita Palencia, Hector Velazquez Lemus, Yolanda Maria Sanabria Pinto, Pedro Pablo Arita Alvarado, Carlos Gonzalez, and Mario Florez, say the aircraft came from El Salvador. We repeat, area residents say the aircraft were Salvadoran and came to bomb Honduran territory. So far, there is no word if people or farm animals were killed. However, the residents are worried and nervous. They want the high command to say, at the very least, that they are going to conduct an investigation in El Volcan, Ocotepque Department.

Montoya Announces Presidential Candidacy

PA0108042088 Panama City ACAN in Spanish 2138 GMT 31 Jul 88

[Text] Tegucigalpa, 31 Jul, (ACAN-EFE)—Today the president of the Honduran Congress, Liberal Carlos Montoya, was proposed as presidential candidate by a faction within the Liberal Party.

The politician launched his candidacy in the city of El Progreso, 240 km north of the capital, before some 30,000 supporters from different parts of the country.

The ruling Liberal Party has various internal factions, one of them made up of a recently formed alliance between Carlos Roberto Flores, Jorge Maradiaga, and Jorge Arturo Reina. The alliance is headed by Flores, a presidential hopeful.

Other candidates are Carlos Roberto Reina, brother of Jorge Arturo, and Ramon Villeda Bermudez, son of former Liberal Party President Jose Ramon Villeda Morales. Several other hopefuls decided to pull out of the race due to lack of support and joined other movements within the Liberal Party.

The conservative National Party, the second-largest political power in the country, has only two presidential aspirants: Rafael Leonardo Callejas and Oswaldo Ramos Soto. Of the two, Callejas, who was also a candidate in the November 1985 elections, has more supporters in the party.

There are four main political parties in Honduras: The Liberal, National, and minority Christian Democratic and Innovation and Unity Parties.

Nicaragua

Ortega Comments on Shultz Guatemala Meeting

PA0108222488 Managua Domestic Service in Spanish 2040 GMT 1 Aug 88

["Excerpt" of speech by President Daniel Ortega at the commemoration of the 9th anniversary of the Sandinist Air Force at the Air Force headquarters in Managua "at noon" on 1 August—recorded; broadcast in progress]

[Text] ...Nicaragua was not invited because the United States is trying to set up a collective action—among the United States and four Central American governments—to try to liquidate the Nicaraguan revolution, to escalate the war against Nicaragua, and even to carry out an invasion. What will be the result of that meeting? We hope wisdom will prevail in that meeting taking place right now in Guatemala. If a death sentence is passed against Nicaragua just because the United States wants it, it would be equivalent to passing a death sentence against Central America. This is because the consequences of a military escalation and of a Yankee invasion of our fatherland would have an impact not only in Nicaragua but in the entire region.

The Central American presidents know this. We have spoken about this in the meetings we have held in Guatemala and Costa Rica. We have talked about this issue. All of us there agreed that a military escalation followed by an invasion would have repercussions in all of Central America.

[Words indistinct] these four Central American governments—Guatemala, El Salvador, Honduras, and Costa Rica—are under enormous pressure at this time because they have been threatened by an agent of the State Department, a Yankee ambassador named [Morris] Busby. They have been told that if they do not sign an agreement today that would enable the United States to continue its lethal policy against Nicaragua, they are going to suffer the consequences. They are under enormous pressure. I repeat that we hope they will be sufficiently reasonable and pragmatic—because we are not going to deny that we have political and ideological differences—but they should be sufficiently pragmatic so as to not fall into the trap being laid by the United States in Guatemala today. It is a trap against peace. It is a trap that is aimed at burying Esquipulas. It is a trap that is aimed at burying the efforts of Latin America, the Contadora and Support Groups, the United Nations, and the OAS. It is a trap that is aimed at burying the Sapoa agreements. It only wants to leave open the path of war, of military escalation, and of intervention by Yankee troops in Nicaragua.

This has to do with efforts being carried out in the Yankee Congress. Reagan's people, through a congressman named [name indistinct] who visited Nicaragua, have already requested more military aid for the counterrevolution. It was believed that tomorrow there would be a vote on this military aid. It seems, however, that the proposal of this representative of the Reagan administration in Congress does not have the necessary votes. Reports today speak about another alternative going in the same direction. It is an alternative worked out by Democratic Party senators who have voted in favor of contra aid. This alternative is aimed at the following: to provide to the counterrevolution weapons and ammunition worth $18 million that are already in warehouses outside the United States. This is what was left of the $100-million package.

Where are the warehouses? The warehouses are on Swan Island, in camps in Honduras, and on Yankee military bases in Honduras. There is $18 million of arms and ammunition

that will be delivered to the counterrevolutionaries if the Sandinists were to carry out an unprovoked attack on the contras, and it would be President Reagan who would determine and say when the attack took place.

This is a shameless, crude attitude that makes evident the lack of respect the Yankee Congress has for international law. They casually make cynical proposals such as this one.

We clearly cannot remain idle if Mr Shultz passes the death sentence against Nicaragua today in Guatemala. Clearly we cannot remain idle if the Yankee Congress, through whatever means, manages to approve new funds to continue murdering Nicaragua's children, women, and youth.

Some of these Democratic Party congressmen who vote in favor of the contras say that we are holding talks with the contras because of the military pressure put on us and that the only way the Sandinists can become democratic is through military pressure.

The Yankees and the contras in and out of the country must clearly understand that here democracy was decided on by the Nicaraguan people on 19 July 1979. There is no need to invent a new democracy in Nicaragua. We already have that. There is a Constitution that sets the basis for our democracy and that makes our democracy legal.

Flexibility should not be viewed as weakness. We have been flexible because we are strong, not because we are weak. The revolution is strong. The revolution cannot be defeated. The revolution is invincible, and this is why we have a great degree of flexibility. We even let the contras come to Managua. It was they who asked to come to Managua. We did not ask them to come. The Yankee government said the contras should go to Managua. The Yankee government thought the people would flood the streets to welcome the contras as heroes, but when the contras came, they found only the rejection of a people who ignored and condemned them.

We have made clear in recent days that flexibility cannot be viewed as weakness. In this country, as in any other country, be it a capitalist or a socialist country, the law must and will be respected. Activities must take place within the constitutional framework. The arm of the law will fall on whoever violates the law, whoever tries to violate the Constitution, and whoever conspires against the Constitution, even if the culprit is the Yankee ambassador. The Nicaraguan people decided to expel him because he was conspiring against and attacking the very people who had given him the opportunity to represent his government. One should not listen to the story that we were trying to provoke a reaction by the United States with that expulsion.

If the U.S. Congress approves more death funds, or if the Central American governments become involved in increasingly warmongering and conspiratorial activities against Nicaragua, the Nicaraguan Government and its people will respond. We will respond by firmly and justly defending revolutionary power.

Extends Cease-Fire

PA0108224788 Managua Domestic Service in Spanish 2138 GMT 1 Aug 88

["Excerpt" of speech by President Daniel Ortega at the commemoration of the 9th anniversary of the Sandinist Air Force at the Air Force headquarters in Managua "at noon" on 1 August—recorded]

[Text] I want to reaffirm the decision I made as president of Nicaragua to extend the cease-fire for another 30 days—until 30 August. This does not mean letting down our guard; on the contrary, this forces us to strengthen our active military defense. Anywhere the enemy attacks the civilian population, anywhere the enemy violates the cease-fire—as it has been doing—let it get a formidable, bruising, and crushing blow from our Army, our Air Force, our antiaircraft defenses, and our [words indistinct] EPS troops.

Ortega To Attend Ecuadoran Inauguration

PA0208123288 Managua Radio Sandino in Spanish 1201 GMT 2 Aug 88

[Text] President Daniel Ortega will attend the inauguration of Ecuadoran President-Elect Rodrigo Borja. Presidency Information Minister Manuel Espinoza has confirmed this information. Espinoza added that President Ortega will travel to Ecuador at the head of a delegation that will attend Borja's inaugural to be held in Quito on 10 August.

D'Escoto Condemns U.S. Policy in Panama

PA0208013988 Managua Radio Sandino in Spanish 1200 GMT 1 Aug 88

[Report on speech by Foreign Minister Miguel D'Escoto during ceremony commemorating Panamanian General Omar Torrijos' death—date and place not given]

[Text] Foreign Minister Father Miguel D'Escoto has made a speech during a ceremony to commemorate the death of General Omar Torrijos. He said that the United States' aggressive policy against Panama is intended to humiliate Latin America and extinguish the torch Panamanians are defending.

Foreign Minister D'Escoto recalled that prior to the triumph of the revolution, Panama was the first country to recognize the Sandinist government and that Gen Torrijos exerted himself in this regard at the OAS. Foreign Minister D'Escoto added that the great son of Latin America opened the doors to this moment, to the best moment in our history, because before him there had never been the desire to unite and defend our right to build our own destiny:

[Begin D'Escoto recording] That great son of our America, that great Latin American, opened the door for the incomparable moment in history that our America is experiencing today. Despite all our problems, despite the brutal, unprecedented way in which the United States is behaving toward Panama and Nicaragua, I believe we must all recognize that Latin America is experiencing the best moment in its history. Never before have we seen such willingness to unite and defend our right to choose our political, social, and economic destiny in Latin America.

We also want to remember what could not be eradicated by those who made sure he disappeared physically: I mean Torrijos' spirit or Torrijism. The United States is now trying to eliminate Torrijism from Panama, and that is the basic reason for such a cruel, criminal, and unprecedented aggression against Panama. The reason behind the United States' aggressive policy toward Panama is the desire to destroy feelings of national and Latin American dignity and to extinguish the torch that Panamanians have heroically held aloft and have defended in such a way that it undoubtedly deserves the entire world's admiration and great respect. This, of course, applies to all the Nicaraguan people. [end recording]

Pastora Announces 22 Aug March to Managua
PA0208011688 Madrid EFE in Spanish 1520 GMT 1 Aug 88

[Text] Madrid, 1 Aug (EFE)—In statements to the Spanish weekly PANORAMA, Eden Pastora said he and other Nicaraguans will begin a march to Managua on 22 August unless an agreement is reached with the FLSN before that time. "Then," he added, "they will truly see whether or not I am a popular leader."

Pastora, also known as Commander Zero, said he has always been true to his principles, both "before, against an extreme right-wing dictatorship catering to U.S. imperialism, and now, against an extreme left-wing, Stalinist dictatorship catering to the USSR."

Pastora said: "If freedom, respect for human rights, and political pluralism return to Nicaragua, if there is a return to a nonaligned policy, and if the Sandinists truly honor what they have promised, then I—and I am not engaged in a political struggle, but rather in fishing, another political activity (he ironically remarked)—will play their game. I know the FSLN, with which I still hold talks, will try to manipulate me, but I will try to manipulate them. That is politics."

Regarding the contras, Pastora said "they have already begun to disband, confirming what I have always said. They are CIA agents. The contras definitely are Somozists who have not wanted to mend their ways, nor do they intend to. They are Nicaraguans who want power to do what the Sandinists are doing on the other side of the coin."

Eden Pastora said his plan "is the same as it was in 1979. It is a plan for social, political, and economic change. We want to fight so the people will be free."

RN's Robelo on Bermudez Appointment, Dukakis
PA3007231388 Paris AFP in Spanish 0016 GMT 30 Jul 88

[Text] San Jose, 29 Jul (AFP)—Today anti-Sandinist leader Alfonso Robelo labelled as a "serious mistake" the appointment of former Somozist Colonel Enrique Bermudez to the Nicaraguan Resistance (RN) Directorate. He said he disagreed with the resumption of the war against the Daniel Ortega regime.

Talking to AFP, Robelo said he fully shared the concerns of Alfredo Cesar, one of the seven RN leaders. Last week, Cesar charged that Enrique Bermudez' promotion to the rebel leadership meant the moderate sectors within the anti-Sandinist organization were relegated to the sidelines.

"I was saddened and disenchanted with the things I saw during the RN meeting in Santo Domingo (Dominican Republic)," Robelo said. He was referring to the "manipulations" that took place for Col Bermudez to ascend to the Directorate. "Alfredo Cesar alone represents the moderate current, which endorses a political solution to the war," he said.

Robelo, a former member of the Nicaraguan Junta of National Reconstruction that replaced Somoza and a former RN director, said that Sandinists as well as contras "seem to be competing to see who can make the most mistakes." In this regard, he mentioned the expulsion of U.S. Ambassador Richard Melton, the repression unleashed 2 weeks ago by the Sandinists in Nandaime, and the closure of the major opposition news media. On the other side, he remembered Bermudez' appointment and the establishment of a hard-line stand by the RN.

"We have always criticized the party-state-Army alliance that prevails in Nicaragua, but we in the RN seem to be doing the same thing. It seems that an embryonic 'strongman' from the Somozist dictatorship is being incubated," he said.

Commenting on Bermudez' resignation as the RN's military chief, Robelo said "that is just a subterfuge. He said he resigned but the post was left vacant. Now he is the director or supervisor of the military."

Robelo noted that if the RN hopes to install democracy in Nicaragua, it must now place civilians in positions of control over the military. He ruled out a future withdawal of his group, the Nicaraguan Democratic Movement (MDN), from the RN.

"We must fight from within. I do not think that we can return to old patterns," he said. Robelo was referring to the alliance established in the past with former guerrilla leader Eden Pastora.

Moreover, Robelo disagreed with the approval of new military aid for the RN. The aid has been suspended since the Sapoa peace talks, held on 23 March. "The approval of new aid to continue a low-intensity war worries me. In this sort of war, no side ends up winning, yet thousands more die," the leader said. However, he endorsed the approval of humanitarian aid and a military package that would be kept in reserve until the political alternative is exhausted.

Robelo did not hide his desire for a Democratic victory in the U.S. elections in November. "A Dukakis victory over Bush would be very encouraging," Robelo said, adding that Dukakis could strengthen a solid alliance with Costa Rican President Oscar Arias to force the Sandinists to allow a democratic opening.

"If that happened, in February—1 month after the transition of power—we would see the FSLN facing difficulties, because it fears the political struggle and democratic opening more than it does the war."

"The Sandinists are prepared for war, but not for the political struggle. They do not want democracy, and that is why Ortega has stated his 'support' for Dukakis, in the hope that he will get fewer votes," Robelo said.

Reconciliation Panel Members Support Obando

PA2907234788 Managua Radio Corporacion in Spanish 0400 GMT 29 Jul 88

[Communique issued by the National Reconciliation Commission in Managua on 28 July; read by commission member Mauricio Diaz]

[Text] The undersigned members of the National Reconciliation Commission wish to express:

1. Support for His Eminence Cardinal Miguel Obando y Bravo, president of this commission, and acknowledgment for his work in favor of peace and reconciliation in Nicaragua.

2. Support for the Catholic Church's efforts to obtain the release of the people who are in the hands of the Nicaraguan Resistance, and our request for the release of the people detained after the incidents in Nandaime.

3. Concern over the measures affecting freedom of speech.

Managua, 28 July 1988.

[Signed] Dr Gustavo Parajon
Msgr Bosco Vivas
Lic Mauricio Diaz
Dr Gonzalo Ramirez
Lic Erick Ramirez

Opposition Protests to Reconciliation Body

PA2907235188 Managua Radio Corporacion in Spanish 0400 GMT 29 Jul 88

[Letter sent to Vice President Sergio Ramirez Mercado by Erick Ramirez, president of the Social Christian Party (PSC), and Mauricio Diaz, secretary general of the Popular Social Christian Party (PPSC); date not given—read by Mauricio Diaz]

[Text] Sergio Ramirez Mercado, President Ortega's delegate to the National Reconciliation Commission [CNR], Managua.

Dear Mr Ramirez Mercado:

As delegates representing the opposition political parties at the CNR, we would like to express to you, and through you to the government of the Republic, our concern over the current situation of the Esquipulas II agreement, particularly as a result of the Nandaime incidents and the subsequent measures taken by your government. This situation jeopardizes efforts to find a civic solution to the acute crisis we are currently facing and leads to polarization and violence.

In fact, a brief analysis of the peace process shows a highly negative balance for our long-suffering homeland: Negotiations with the resistance are stagnant; the national dialogue is currently in a prolonged impasse; the democratization process is subject to police repressive measures, which does not guarantee the free exercise of democracy; the current Constitution is being systematically violated by government measures against civilian, political, and economic rights; political opportunities provided a year ago with the signing of the Esquipulas II agreement have been dramatically denied; independent media cannot exercise free journalism because of repressive action by the Interior Ministry's Media Directorate; the arbitrary closing of LA PRENSA, Radio Catolica, and "The Awakening" and "The Nicaraguan" newscasts show there is no desire to permit freedom of expression; the leaders [10-second break in reception] Democratic Coordinating Board were interrogated, arrested, and condemned to 6 months in jail; human rights are continuously violated throughout the country; and a harassment campaign against the Catholic Church has been resumed.

This whole dramatic panorama requires an overall reconsideration from your government to return to the civic path called for in the Esquipulas II agreement, permitting the full exercise of liberties and democracy and the achievement of peace and national reconciliation.

Respectfully yours,

[Signed] Mauricio Diaz Davila, Erick Ramirez Benavente

Copies to the CNR president and members Gustavo Parajon, Msgr Bosco Vivas, Gonzalo Ramirez, and Rene Nunez Tellez.

Release of Nandaime Prisoners Urged
PA3107161188 Managua LA PRENSA in Spanish 28 Jul 88 p 2

[Editorial]

[Text] We had attained a certain amount of serenity to replace ruffled feelings, mostly because of the passage of time, not as a result of government actions. Yet we now perceive the weighty burden of the Nandaime trial of the imprisoned National Democratic Coordinating Board leaders has become too heavy for the government's shoulders.

The operation was a success from the government's political point of view—or better said, from the tactical position of those in charge of planning the "lightning operation" to shock the country, placate the people's feelings by cowing them, and create the international image of a strong regime with the necessary strength to deal blows without the subsequent destabilizing consequences. The people were beaten up, teargassed, and bludgeoned; and the cost was that a few policemen were hit by two or three rocks without major consequences.

The problem was that the retreat was not properly planned. Every "commando" operation includes a violent entrance—which guarantees 50 percent of the operation's success—and a perfectly synchronized retreat—to guarantee the other 50 percent. Referring to the Nandaime operation, no one planned what would be done about the predicted prisoners once they were accused of "attacking the authorities."

Incredible as it seems, the Granada policeman who sentenced the demonstration's organizers to a 6-month incommutable arrest acted with more political sense than whoever revoked the police sentence to arraign them before an ordinary judicial court.

The case would have been resolved simply by accepting the appeal to "transfer the case to the respective superiors," meaning the superior Granada police authorities. We would now be visiting the political leaders in their homes, a few days after being deprived of their freedom, and tranquillity would have been restored—at least to the prisoners' relatives.

But no, the authorities have been carried away by their vengeful triumph—which is characteristic of totalitarian dictatorships—and have apparently tried to set a permanent example that will serve as a "future warning" to those "who harbor subversive thoughts" and those who don't know who has the power in Nicaragua, as proclaimed by the spokesmen of permanent hate and the true apologists of institutional violence.

The only thing one can expect from the decision to arraign the prisoners before a judicial authority—which is all entangled and harassed by the legal role of a penal prosecutor who seeks every advantage and uses every occasion to gain points with his superiors—is another barbaric ruling (like the one issued by Dr Mario Alegria) to strike the opposition political leaders with a prison sentence of unknown length and thus increase the judicial branch's discredit to the utmost.

On many occasions, we have written about the weakness of a judicial branch appointed by the president—who is also the head of the ruling party, head of the "vanguard," and the cause of the instability among citizens, who live in a country where the application of the law and the empire of justice are at the service of the revolution," [quotation marks as published] as it has been admitted by government officials in the past. We have also said that to restore security and tranquillity, the first thing we must do in Nicaragua is give the judicial branch its majesty and independence back.

The government is now facing the hot issue of Nandaime because it did not follow that advice. In other words, the government is now forced to pronounce a judicial sentence against the Nandaime prisoners, which will increase national insecurity and resentment.

That issue has even greater consequences, because the whole world is closely following the fate of the Nandaime prisoners.

What will President Arias say when he hears the news? How will the U.S. Congress react? What will the EEC—from which the Nicaraguan Government is expecting to get aid to survive economically—say?

Mr Zuniga Montenegro (according to BARRICADA) "has told the president of the National Council of Political Parties to go to the Supreme Court of Justice to 'instruct' the Granada judge to acquit the prisoners." It is surprising advice, because it is given by a lawyer who until a few months ago was a magistrate at the Supreme Court of Justice for almost 9 years. However, we must be aware it is normal advice considering the government's internal "modus operandi." Although the government's modus operandi reduces the independent actions of a judge to zero, it at least tends to have this kind of advice to normalize a situation that is almost intolerable. It is advice tending to make justice shine above all legal formalities.

In any case, the Nicaraguan people want the Nandaime prisoners to be released, because they never committed a crime. To keep them in jail will not be exercising justice, but getting revenge.

LA PRENSA on Government Anti-Esquipulas 'Blows'

PA2907192588 [Editorial Report] Managua LA PRENSA in Spanish on 27 July on pages 9 and 10 carries an unattributed five-part, 1,500-word article entitled "Five Simultaneous Blows Against Esquipulas II."

Part 1, entitled "Aggression in Nandaime," criticizes the actions taken by the Nicaraguan Government against demonstrators who "demanded fulfillment of the Sapoa

agreements." The LA PRENSA article states: "We demand that the government both release the opposition leaders arbitrarily detained and publicly apologize for the military authorities' barbarous behavior."

Part 2, called "The Expulsion of Ambassador Melton," decries this government decision and states that "the plot that has caused so much horror in government circles was first outlined in a well-known document signed by seven parties in February 1987."

Part 3 is entitled "The Closure of LA PRENSA." It asserts that the measure "did not have anything to do with the paper's editorials or reports on Nandaime. It was one of the five simultaneous blows designed to prove beyond any doubt that the FSLN can act with impunity."

In Part 4, "Harassment Against the Cardinal," LA PRENSA disagrees with the suspension of Radio Catolica, particularly because the Nicaraguan Government itself begged Cardinal Obando y Bravo to head the National Reconciliation Commission.

Part 5 is entitled "The Nationalization of a Sugar Mill," an enterprise which, to LA PRENSA, "represented the survival of private enterprise within the revolution."

Matagalpa Conservative Party Leader Killed

PA3007013888 Managua Radio Sandino in Spanish 1930 GMT 29 Jul 88

[Text] Cattleman Eleazar Guerrero, president of Mario Rappaccioli Marques' faction of the Conservative Party in Matagalpa, was found dead from gunshots this morning on the road to San Ramon. The police presume the 48-year-old Guerrero was killed by thieves.

His wife had reported his disappearance 48 hours ago, and the jeep in which he had been traveling was found yesterday in El Ocote, near San Ramon.

Guerrero's body, which showed bullet wounds, was found near his vehicle. The official report of the Interior Ministry follows:

[Begin speaker recording] This morning Sandinist police found the body of 55-year-old Eleazar Herrera [name and age as heard], a prominent Matagalpa cattleman and farmer, whom his wife had reported missing since 27 July.

At (?1900) yesterday authorities found Herrera's jeep at El Ocote Bridge in San Ramon. The jeep, in which he had left for Matagalpa last Wednesday, showed no signs of violence.

The police found the body of Herrera, who until his death served as president of Rappaccioli's faction of the Conservative Party in Matagalpa, near his property. His body had several bullet wounds. According to the coroner, Herrera had been killed 48 hours ago.

It is presumed the cattleman was killed by thieves. However, the police continue the appropriate investigations to determine the real motive of the homicide, said Subcommander Sergio Gomez, security chief in Region 6. [end recording]

Defense Ministry Reports July Military Actions

PA0208033788 Managua Radio Sandino in Spanish 1200 GMT 1 Aug 88

[Communique issued by the Public and Foreign Relations Directorate of the Defense Ministry in Managua on 31 July]

[Text] The Defense Ministry reports that between 1-30 July, the Nicaraguan Government continued to support the peace process carried out within the framework of the Esquipulas and Sapoa agreements by extending the unilateral cease-fire for another month, stating its willingness to renew direct bilateral talks with the United States, and continuing to hold talks with the mercenary leadership as stipulated in the Sapoa agreements.

The peaceful attitude assumed by the revolutionary Nicaraguan Government has been countered by the mercenary forces, which are directed and financed by the Reagan administration. The mercenaries have increased their conspiratorial activities to thwart such a peaceful attitude and any effort aimed at achieving lasting peace. The mercenary forces have carried out 79 attacks—particularly against civilians, economic targets, and our troops—thus violating the cease-fire proposed by the Nicaraguan Government.

These actions include the implementation of the Melton plan, the expulsion of Nicaragua's envoys to the United States, the failure to release kidnapped EPS members as agreed to in the Sapoa talks, and the election of former Somozist Colonel Enrique Bermudez as FDN Directorate member, thus supporting the Reagan administration's warmongering policy.

Enemy actions were successfully repelled by EPS troops, supported by various Interior Ministry organizations, and resulted in 204 casualties among the mercenary ranks, including 127 dead. Many weapons and military supplies were confiscated. Furthermore, 39 EPS troops—including permanent members, militia members, reservists, and Interior Ministry fighters—died heroically in the defense of their homeland.

The Reagan administration's homeless forces, which are led by Enrique Bermudez, the Somozist mercenary, continued to carry out their terrorist actions against civilians and economic targets. The mercenaries in 25 actions kidnapped 96 men, women, and children in a desperate attempt to increase their ranks. They also carried out 23 actions against our people, including 10

ambushes on civilian vehicles, 6 attacks on towns, cooperatives, and settlements, 4 murders, a raid, an attack on a privately-owned boat, and the destruction of an electric tower. These actions resulted in 29 dead and 25 wounded civilians.

Further attacks were carried out to worsen the country's already difficult economic situation and to intimidate our working people. The most important actions include:

On 1 July, an attack was carried out on Los Laureles settlement, located northwest of Nueva Guinea, in the autonomous southern Atlantic region; four peasants who had organized as the local self-defense group were killed and one was wounded.

On 5 July, a Marecasa truck was ambushed at El Aparejo, located northeast of Rio Blanco, Matagalpa Department; nine civilians were kidnapped and the truck was destroyed by fire.

On 6 July, a civilian vehicle was ambushed at Cerro El Garrobo, located southeast of Juigalpa, Chontales Department; one civilian died and one was wounded.

On 9 July, a military truck carrying a Mulukuku dance troupe and mothers of comrades mobilized in the Patriotic Military Service was ambushed at El Aparejo, located northeast of Rio Blanco, Matagalpa Department; five civilians died and four were wounded.

On 10 July, a military vehicle was ambushed at (Cuernos de Oro), located northeast of Santo Domingo, Chontales Department. Major Francisco Javier Espinoza Hidalgo, commander of a 5th Military Region brigade, died heroically fighting the mercenaries.

On 14 July, a civilian truck and two motorcycles were ambushed at Cerro Las Minas, located northwest of Jinotega; 18 civilians were kidnapped.

On 15 July, a civilian vehicle was ambushed at (El Saino), located northwest of (Abisinia), Jinotega; three civilians were kidnapped and the vehicle was destroyed by fire.

On 19 July, a civilian vehicle was ambushed at Paiwitas, located southwest of Rio Blanco, Matagalpa Department; seven civilians died and five were wounded. Also on 19 July, two peasants were killed and two were wounded at the Ernesto Acuna Cooperative, located northwest of (La Dalia), Matagalpa Department.

On 20 July, a civilian vehicle was ambushed at (Las Yapas), located west of San Sebastian de Yali, Jinotega Department; one civilian died, one was wounded, and one was kidnapped.

On 25 July, residents of the (El Fuste) neighborhood, located east of Juigalpa, Chontales Department, were attacked and one civilian was kidnapped.

Furthermore, the Honduran Armed Forces carried out eight provocative acts of harassment, three more than in the previous period, to support the mercenary forces' movements along the border to enter and leave Nicaraguan territory. The most important actions were carried out against EPS positions in the border areas of Murupuchi, northeast of Jalapa, Nueva Segovia Department, on 2, 9, 14, and 21 July.

The U.S. Air Force carried out nine radio, electronic, and photographic surveillance flights with EC-130 and RC-135 Hercules airplanes, three more than in the previous period, mainly over territories in the 1st, 2d, 3d, and 4th Military Regions.

Moreover, all kinds of airplanes, particularly coming from Honduras, violated our airspace 46 times—14 more than in the previous period—to gather information and provide logistical support to the mercenary forces operating inside the country's 1st, 5th, 6th, and 7th Military Regions.

The U.S. Navy continued to carry out its surveillance and naval harassment operations against our country by keeping the ARL-24 "Sphinx" and an unidentified frigate in the Pacific Ocean and three unidentified ships in the Atlantic Ocean.

Managua, 31 July 1988

[Signed] Public and Foreign Relations Directorate
Defense Ministry

Briefs

USSR Donates Fishing Equipment

A donation of fishing equipment and training material has been delivered by the Soviet Government to the Nicaraguan Fishing Supply Institute (SUMIPESCA) through Soviet charge d'affaires in Managua Alexander Chujrov. The donation totals $1.6 million and is a demonstration of Soviet solidarity with Nicaragua. [Excerpt] [*PA3007032688 Managua BARRICADA in Spanish 29 Jul 88 p 2*]

Cuba Donates Sugar, Parts

A total of 11,000 tons of sugar donated by the Cuban people and government arrived at the port of Corinto as a demonstration of affection from that sister nation during the celebration of the revolutionary triumph. In addition to the sugar, we received 8,000 parts for Lada cars, 730 tons of bottles for the Victoria and Tona breweries, and 23 flatbed trailers. [Summary] [*PA3007034788 Managua BARRICADA in Spanish 29 Jul 88 p 4-B*]

Panama

Ritter: Shultz Trip Reaffirms U.S. Policy

PA0208011288 Panama City Televisora Nacional in Spanish 2300 GMT 1 Aug 88

[Statement by Foreign Minister Jorge Ritter; date and place not given—recorded]

[Text] Secretary of State George Shultz' visit is related to U.S. policy in Central America. I believe it is part of the U.S. strategy in Central America, including Panama. I would say that his visit contrasts sharply with activities that take place in Panama. Shultz' visit is to reaffirm a warmongering and interventionist policy—the U.S. policy in Panama. That policy is, we could say, warmongering and contrasts with activities we can see in Panama.

I have just returned from the interior where the 7th anniversary of Omar Torrijos' death was commemorated. Along the road, I saw a procession honoring the Virgin Mary. I saw many Panamanians looking at it and praying for peace. I believe this is the mood that prevails in Panama today. I point this out because I believe it is significant that while our victimized country prays for peace, for peace in Panama, the aggressor country calls for military solutions, for forceful and interventionist solutions.

Let us pray to God that during his visit, Secretary Shultz will meet with Central American heads of state who will call for an end to the policy of aggression that the United States maintains in the Central American isthmus.

Mission Seeks Country's Incorporation in ALADI

PA2907233088 Panama City Domestic Service in Spanish 1645 GMT 29 Jul 88

[Text] A high-level Panamanian mission headed by Deputy Foreign Minister Jose Maria Cabrera, which is touring several countries in the region, is visiting Venezuela to secure Panama's incorporation into the reciprocal payments and credit agreement of ALADI.

Although Panama is not an ALADI member, it is requesting its incorporation based on the precedent that the Dominican Republic is participating in the payments agreement without being a member.

In Caracas, Deputy Foreign Minister Cabrera informed his Venezuelan counterpart, Horacio Arteaga, about Panama's request for incorporation into ALADI.

Former President Royo Comments on Crisis

PA3007122988 Panama City Telemetro Television in Spanish 2300 GMT 29 Jul 88

["Exclusive" interview with former President Aristides Royo by unidentified reporter; date and place not given—recorded]

[Text] [Royo] I think [General Omar] Torrijos stands for the removal of the last vestige of colonialism, for the removal of the fifth border [reference to the fence that used to separate the former Canal Zone from Panama City] that Panama used to have. On one occasion, he said that this was not the result of his work, but rather what he termed the achievements of a generation. Torrijos was noble and generous enough to thank all previous generations dating back to 1904—when Eusebio A. Morales, the Panamanian charge d'affaires in Washington, wrote a letter to the U.S. Government to protest the Hay-Bunau Varilla treaties—and up to 1977, when the new treaties were signed. Those were the achievements of a generation, and this process continues.

Many people, a large proportion of the population, feel that the struggle ended with the conclusion of the Torrijos-Carter treaties. They think they can now sit back or start working on preparing things for our taking over the canal in the year 2000. I think, however, that it has gone beyond this. In 1979, the Americans instituted Law 96-70 on Panama. In spite of all the protests that were made to President Carter when I was president of Panama and later to President Reagan, we Panamanians have not been able to get that law changed.

Torrijos set a deadline for the U.S. presence in Panama. If you are asking me about the differences, I must also tell the Panamanian people about this: In 1936, when Ortega y Gasset was asked what he thought about the Spanish Republic, his answer became a famous phrase: This is not it! This is not it! I would now say this about Torrijoism: This is not it! This is not it!—to paraphrase that great Spanish philosopher. I am saying this is not it because I think Omar Torrijos had different ideas.

Omar Torrijos defined the word retreat—the retreat of the military men back to their barracks. If, at one time, the military men had to burst into public life, then in 1978 it was time for the military men to go back to the role that the Constitution and the laws prescribed for them.

He was the creator of the concept of the retreat, and he complied with this, although he continued being the man with charisma, the man with a concept of power. When he died, however, this concept of retreat began to fail, and this is where we are now. Nonetheless, I must also say it here, and I hope my words will be clearly understood: I do not feel we can think about a retreat of the military, and I think General Noriega will not do this as long as Panama is suffering this aggression by the United States. When I say aggression, I am referring to the economic aggression Panama is undergoing. We want to restore full democracy in Panama? I fully agree with that. Should Gen Noriega be part of that sacrifice? I fully agree he should. Gen Noriega should also think about retiring. I am not saying anything he does not already know, because I sent Gen Noriega a written message in which I referred to his leaving the post of commander in chief of the Panama Defense Forces [FDP].

Nevertheless, a tiger that is cornered will do everything possible to put up a fight. Gen Noriega has done this, and he insists that he will do this as long as the United States keeps

that sword of Damocles—a pending trial, so that he cannot go to another country—hanging over him; as long as there are the legitimate fears of a nation that has been the victim of economic sanctions. And I wonder, were these economic sanctions against Gen Noriega or against the people of Panama? Is it not the people who are suffering? I am not saying this is 100 percent the cause of the problem, but in general, it is the people who are suffering the consequences of the economic aggression.

On the other hand, it is also true that there are certain conditions that have made his departure very difficult. That is why I do not truly think the solution to the Panama problem is to sit down and talk with the United States.

I believe the United States is part of the problem, but the solution must be found by the Panamanians themselves. We must negotiate to reach a solution to Panama's economic problems. Once negotiations are held, the final decisions must be enforced. All parties must do their share. The FDP and the executive branch must sacrifice something; various government branches, the Civic Crusade, and the opposition must also make sacrifices.

Once everyone contributes to the necessary sacrifices, and once personal interests have been set aside for the benefit of the fatherland—as Simon Bolivar said, the fatherland is an altar, not a pedestal—we Panamanians will be in a position to demand that the United States immediately stop all economic aggression against our country. However, I repeat, this must be done with the participation and sacrifice of all Panamanians, and this sacrifice should not have to be the result of foreign pressure, regardless of the origin of this pressure, whether it be the United States or any other country. In conclusion, I believe the solution to Panama's serious problems must be found with the participation of all Panamanians.

[Reporter] Some government sectors say that the elections will result in an alternative, a solution to the crisis. What do you, as a former president of the Republic, think about this?

[Royo] I do not know if the elections will bring about a solution to Panama's problems. For those elections to take place, a series of conditions must first exist in this country. First, there must be a guarantee that the elections will be clean and honest, that they will be adequately supervised, specifically by the political parties. I do not believe in outside observers. You could have UNESCO, OAS, and UN observers here, but that would not do any good. Our election observers must be from the political parties that have candidates running in the elections.

The elections must be clean and honest, and there must be a great commitment by the government to ensure this; the political parties must cooperate for this to become a reality. However, I do not think there can be elections if the media are not reopened, if there are not full guarantees for enjoying constitutional rights. In Panama, negotiations must take place long before there can be elections; otherwise, the atmosphere will not be conducive for the elections.

The negotiations must result in the return of those who are in exile, in respect for all basic guarantees, and in the reopening of the media. On the other hand, there cannot be any persecution, whether instigated by the United States against the FDP or any other organization. In other words, we must create an atmosphere conducive to peace. Although there has not been a declared civil war or any shooting here, there is a sort of undeclared civil war. Panama is divided now more than ever before. There is, in fact, a civil war in which, fortunately, Panamanians are not being killed; there is a political—if you will—civil war. We must return to a state of peace and reconciliation.

[Reporter] Electoral Code reforms are being discussed to guarantee honest, clean, and democratic elections. Do you think these reforms will ensure that the elections are held?

[Royo] I see that the government has invited the various sectors to participate in the discussion of the reforms, but some sectors have refused, saying that first a series of conditions must be met to provide the proper atmosphere. Therefore, more than anything else, I believe it is much more important to create a favorable atmosphere for the elections. That is much more important than the issue of reforms, which I think lawyers or politicians could resolve in 2 or 3 days.

[Reporter] What do you think of the opposition's decision not to participate in the elections on the grounds that the conditions to hold elections are improper?

[Royo] I am not a prophet, but I believe it is very difficult for a political party to abstain from participating in the elections. I think those threats or warnings made by political parties that they will not participate in the elections are not sincere. Furthermore, let us be more positive: This will not happen, and, as a Panamanian, I hope this does not happen. I trust that those political parties, together with other major national forces, will see to it that the government creates the right conditions for the elections. They must do their share.

PDC Deputy, Commerce Minister on Dialogue

PA3107002188 Panama City Circuito RPC Television in Spanish 2300 GMT 29 Jul 88

[Text] [Begin recording of Christian Democratic Party (PDC) legislator Guillermo Cochez] There is a group of Panamanian businessmen who have, with a strong sense of goodwill, presented the government with the thesis

that until there is a political solution to the economic crisis, the country will not be able to forge ahead and problems will intensify. In a grand gesture of goodwill, they [the Panamanian Government] have called upon the opposition political parties and Civic Crusade representatives to discuss this concern, shared—according to them—by civilian and military representatives of the current government.

We, the opposition representatives, listened to them and told them that although we are concerned—the fact we were at the meeting proved it—about the country's future and believe that formulas need to be found to resolve the situation, we had first to reiterate our conditions for any political dialogue with the government and the military. Our primary condition is that, prior to sitting down at any negotiating, dialogue, conversation, or exploration table—or whatever it may be called—it is imperative, it is necessary, it is indispensable that all the public liberties that have been taken away from Panamanians be returned. [end recording]

Referring to the meeting, [Commerce and Industries] Minister Mario Rognoni said:

[Begin recording] [Rognoni] The government has maintained an interest in dialogue at all times. It has attended all the meetings that have been called—starting with those called by the Catholic Church as well as those called by peoples' power groups, as was the case with the FUP [People's Unity Front]. We shall continue attending all meetings where there is a sincere and genuine effort to find a national accord, as long as they are held without preconditions and as long as the participants attend with the greatest possible honesty.

[Reporter] Are there any talks taking place now between the government and the opposition?

[Rognoni] There are several initiatives taking place, which we hope will lead us to a high-level national dialogue between the political parties and other concerned groups. [end recording]

Crusade Calls for 'Substantial Changes'

PA3007131288 Panama City Circuito RPC Television in Spanish 2300 GMT 29 Jul 88

[Statement by National Civic Crusade Coordinator Jose Raul Molino; date and place not given—recorded]

[Text] We have sent legislator Guillermo Jimenez [chairman of the Legislative Assembly's Government Committee] a note stating that, since June of last year, we have expressed the need for substantial changes if this country is to return to a de jure system.

What are those substantial changes, according to the Civic Crusade? First, we must have the Panama Defense Forces' unconditional guarantee that they will truly restrict themselves to an appropriate role for an army. There are also several administrative institutions that require substantial changes prior to holding any elections.

Which institutions are those, in our opinion? First, speaking of elections, we feel that one of the institutions is the Electoral Tribunal. It is currently divided and understaffed. In addition, it needs to reorganize its magistrates and appoint people who are competent, independent, and who have credibility. We believe that another institution requiring substantial changes is the Supreme Court, which has not been administering justice lately with the truth and impartiality stipulated in the Constitution.

It is inappropriate to speak of elections in a political climate such as Panama's, where there are no independent or opposition media, where the media that are open operate under strict censorship, and where the freedom of assembly and to demonstrate do not exist. All of these things are necessary to provide the proper atmosphere for elections and to enable each party participating in the elections to express its opinion on various political issues freely.

National Bank Said 'Doing Fairly Well'

PA2907163188 Panama City Domestic Service in Spanish 1200 GMT 29 Jul 88

[Interview with Rafael Arosemena, National Bank of Panama general manager, by Jairo Posada; date and place not given—recorded]

[Text] [Arosemena] Despite the current situation, we could say that we are doing fairly well. We are covering the needs of our clients who have checking and savings accounts. We are also paying interest on fixed-term deposits. For reasons that are quite obvious—because of the banks' lack of liquidity—our loans have been somewhat affected. We cannot approve loans because our liquidity has dropped approximately 20 percent. We hope that in time, once the banking sector is back to normal—this is not only the National Bank of Panama's problem, but a problem faced by all the banks—we will be able to operate under normal circumstances. We are hoping to be able to cover all these needs shortly.

[Reporter] The fact that the government has been issuing checks is causing considerable concern. Has the National Bank been able to cover those checks?

[Arosemena] The government has been issuing checks in accordance with the National Bank's reserves. The National Bank must have sufficient reserves at all times, both in checks and cash, to cover the checks issued by the government. We have been operating successfully this way for 5 months. Of course, we have to keep within the bank's ability to cover those checks, but the government is aware of this.

[Reporter] What has been the bank's growth rate during the crisis?

[Arosemena] The bank has regained 3 percent of its previous liquidity.

Briefs

Foreign Service Changes

Today the Information Secretariat of the Presidency reported that the Panamanian Government has appointed Bruno Garisto Mead as ambassador to Italy and Jorge Constantino adviser minister to the Panamanian Embassay in London. In addition, Constantino will be permanent alternate representative to the International Maritime Organization, based in London. The official note does not say whom they replace, nor when their appointments take effect. [Summary] [*PA2907233388 Panama City ACAN in Spanish 0100 GMT 29 Jul 88*]

Argentina

New Economic, Administrative Measures Expected

Measures To Curb Inflation

PY0108184288 Buenos Aires DYN in Spanish 1816 GMT 1 Aug 88

Buenos Aires, 1 Aug (DYN)—This afternoon presidential spokesman Jose Ignacio Lopez revealed that "the government is working on several instruments for the implementation of measures directed at swiftly curbing the inflationary process." One of the objectives of these measures is to "unify exchange rates."

Lopez, speaking at the Olivos residence, said that "the government is unable to state" when these measures will be officially released, but he did hint that "perhaps" there will be "something" at 1800 local today, referring to the expected announcements of the minister of public works and services.

Asked about the resignation of Ernesto Figueras, secretary for agriculture, livestock and fisheries, Lopez answered: "He is working normally."

'Severe' Austerity Program

PY0108212788 Buenos Aires DYN in Spanish 2040 GMT 1 Aug 88

[Text] Buenos Aires, 1 Aug (DYN)—Today presidential spokesman Jose Ignacio Lopez announced the implementation of a "severe" government austerity program; no personnel, however, will be dismissed. A "new tax policy" and the "gradual" unification of the exchange system, with an implicit foreign exchange withholding on agriculture and livestock [retenciones agropecuarias], are two of the first measures in the new anti-inflationary program to be announced by the government. This in turn will be followed by an agreement with businessmen and workers.

At the end of the lengthy meetings between President Alfonsin and members of his economic team, Lopez stated that "intensive work" is being carried out on structuring an anti-inflationary program which "will call on the private sector" and "the workers to participate."

Although the presidential spokesman explained that "the government is not yet in a position to make an announcement," his remarks reveal, for the first time from an official source, the general characteristics of the program or set of measures that will be announced within the next few hours.

Lopez termed this set of measures "a program aimed at curbing inflation." This program includes "a substantial reduction of state expenditures and a severe austerity program," although he immediately explained that it will be implemented "without dismissing any personnel."

Lopez emphasized that the reduction of the deficit will mean a new rationalization and austerity "involving public enterprises that will have to make a big effort to reduce costs." Lopez added that the "economic package will go together with a new policy on utility rates. But this will be done after the adjustments [words indistinct] for July," he added.

Asked if the government will decree a price freeze, Lopez made it conditional on a general agreement: "The government is pursuing this (the de-indexation) by general agreement because it believes all sectors of society are responsible."

Regarding exchange rates, he confirmed that the government is leaning toward "a gradual unification" of the different rates, and that possible foreign exchange withholdings on agricultural exports "is the wrong way to present the idea" because the "official and unofficial market for exchange rates has existed for a long time."

Rates To Increase

PY0208040388 Buenos Aires Domestic Service in Spanish 0200 GMT 2 Aug 88

[Excerpt] The government has decided to raise the rates of public goods and services by 30 percent as of 0000 tomorrow. It also announced the implementation of a series of short- and medium-term measures to combat inflation linked to the government efforts to administer the public budget and the cost of public enterprises. This was announced by presidential spokesman Jose Ignacio Lopez after an arduous day of continuous meetings at the Olivos presidential residence, the Economy Ministry, and other areas of the government concerned with the plan of de-indexation of the economy. The presidential spokesman announced part of this plan, which is prepared for implementation in the short- and medium-term.

The government has decided on the following:

The creation of a political committee for the rationalization of the administration. This committee will be headed by Presidential Secretary General Carlos Becerra and made up of public officials and of public employees in the economic field. Each public enterprise will designate a political representative to implement these programs.

This committee will issue a report every 60 days to avoid wrong interpretations. Its objectives are: the reduction of public spending, the better use of existing resources, and the simplification of the state bureaucracy. Presidential spokesman Jose Ignacio Lopez reports further:

[Begin Ignacio Lopez recording] There is a plan that will be implemented immediately. This plan establishes measures for the effective retirement of those who have reached the maximum age according to legal regulations for public officials.

The use of public vehicles is suspended for all officials below the rank of secretary of state throughout the public administration.

The same standard will apply to public enterprises, autonomous organizations, official banks, and public enterprises that do not depend from the government directly.

The automobiles that become available will be transferred to the Argentine federal police to cover the population's security needs.

The personnel dedicated to [words indistinct] and those working in vehicle maintenance and repair will be relocated in accordance with the public administration's needs. They will also be allowed to retire under a special plan.

The system of control of absenteeism will be modified to allow each organization more economy and proper supervision.

The government will also make sure that the public workers' situation is clearly understood through the monthly publication of statistics on absenteeism.

The government will sell property and assets that are not being used.

The government will eliminate organizations and agencies that can be eliminated without affecting essential services.

A special retirement program will be offered to public employees whose jobs are abolished as a consequence of the reorganization of specific organizations or the elimination of functions.

The use of airplanes in public enterprises and organizations will be rationalized, maintaining only essential service.

The general spending of public enterprises will be reduced by 10 percent every month from 1 September until 30 November 1988. [passage omitted] [end recording]

More on New Measures

PY0208024988 Buenos Aires TELAM in Spanish 0235 GMT 02 Aug 88

[Text] Buenos Aires, 1 Aug (TELAM)—Aside from the increase in public goods and services, no other increases will be made during the next 60 days. A utility rate policy that includes social awareness is scheduled for preparation.

This was announced tonight at government house by presidential spokesman Jose Ignacio Lopez, who also announced a short- and medium-term program for administrative reform in order to improve the efficiency and quality of government services and rationalize their costs.

The administrative reform includes the retirement of employees who have already met the maximum retirement requirements, the suspension of car service for public employees ranking below a secretary of state, the sale of government real estate not in use, and the implementation of a retirement policy, among other measures.

In order to ensure compliance with these measures, the government has ordered the creation of a political committee of administrative rationalization, which will be presided over by the secretary general of the Presidency.

Lopez announced these measures in the government house press office, where he read two communiques: one about the increase in utility rates, and the other about the administrative reforms. These measures are aimed at curbing inflation and stabilizing the economy.

Responding to journalists' questions, Lopez categorically denied the resignations of Public Works and Services Minister Rodolfo Terragno and Agriculture, Livestock, and Fisheries Secretary Ernesto Figueras.

Regarding utility rates, the communique states that as part of the current stabilization plan, and in order to make fiscal adjustments, the government has decided to increase by 30 percent the price of services provided by state enterprises beginning at 0000 tomorrow.

The communique adds that this increase is aimed at assuring financial support for the public sector, without which any stability attempts would be useless, and that a utility rate policy with a social awareness will be prepared within the next 60 days. It adds that during this period there will be no further adjustments.

It goes on to say that the Ministry of Public Works and Services will implement a plan of severe reductions of expenditures in state enterprises.

Regarding administrative reform, Lopez announced the immediate or almost immediate implementation of a short-term plan comprising eight measures and the maintenance and acceleration of a medium-term plan that is already in effect. These measures seek a persistent policy of improving public administration, so as to improve its efficiency, effectiveness, and cost, and to improve the quality of its services.

In order to guarantee effective fulfillment, and within the short- and medium-term plans, the government has decided to create the political committee of administrative rationalization, which will be headed by the secretary general of the Presidency. Its members will be made up of the secretaries of the public administration and of the economic team. For the implementation of the programs, each sector, including the Board of Public Enterprises, must designate a political representative.

The main objectives of the committee are to reduce public expenditures, better distribute existing resources, and simplify the state bureaucracy.

In order to guarantee the necessary openness, the committee will announce developments publicly every 60 days.

The short-term measures include the effective implementation of the retirement system for those who meet the maximum requirements that are in effect in accordance with the basic legal system involving public employees. An order will be given in this regard for the ratification of the resolution issued by the secretariat general of the Presidency in 1985.

Transportation services will be suspended for officials below the rank of secretaries of state throughout the public administration, and the automobiles made available will be passed over to the Argentine federal police to meet the needs of the people's security.

A similar automobile rationalization program will be implemented in public companies, decentralized and autonomous organizations, and public banks. Alternatives to cover essential needs will be analyzed, taking into consideration the optimal distribution of resources.

Drivers and auto maintenance personnel will be redistributed according to administrative needs, or they will be entitled to choose a special retirement plan.

The short-term plan also foresees the granting of greater autonomy to each public organization for its own self-control.

In order to ensure the clarity of the public administration labor situation, the employees' absenteeism statistics will be published monthly.

The plan also foresees the implementation of economic programs by areas—such as, for example, in power, gas, telephone, publications, and photocopies—envisaging a 10-percent reduction each month from 1 September to 30 November 1988.

The government will also sell public real state not being used, and it will eliminate non-essential organizations and agencies that do not affect basic services.

The short-term plan to restructure the administration includes the offering of a special retirement system for those public employees whose job positions will disappear or be abolished as a result of the restructuring of organizations.

The plan also calls for an analysis on the use of state-owned airplanes. The government will keep in operation only those planes that are strictly necessary.

The measures of the medium-term plan are already in force. They will remain in force until the established objectives have been achieved.

Two important measures of this plan are the human resources program and the structural reform program. They comprise the modification of administrative regulations and the drafting of bills to amend the accounting law, the administrative legal order, and the public employees collective bargaining regulations in keeping with Law No 23,544.

Other objectives are the effective usage of computers to improve service to the public, facilitate personnel training, and reduce bureaucracy.

The communique states that the national government has permanently been implementing a policy of public administration improvement so as to improve its efficiency, effectiveness, and the quality of its services, and to reduce costs. It then mentions the presidential decisions affecting government structure and operation.

Some of these measures are: Decree No 2,193/86 establishing a voluntary retirement program, which allowed the administration to reduce personnel by 10 percent; bureaucracy Decree No 2,048/87, which allowed an administrative reorganization to begin; the decrees that encourage better service to the public; the privatization process that has already begun; and the improvement of human resources.

The communique also admitted that the intensity and speed with which the government reforms have been implemented have not met social demands and that the government's efforts have not been in keeping with the requirements of society.

Martinez Denies Price Freeze

PY0108213988 Buenos Aires DYN in Spanish 2058 GMT 1 Aug 88

[Text] Buenos Aires, 1 Aug (DYN)—Today Vice President Victor Martinez stated that the new economic measures do not include a price freeze. He added that "what we will do is reach an agreement with leading enterprises on maximum prices for certain products that will allow the governing of the economy."

Martinez added that "there will be no foreign exchange withholdings" on agricultural exports,and that "tariffs on agricultural and livestock exports have been reduced for the first time, and in some cases withholdings have been totally eliminated."

The vice president made these remarks in the city of Pergamino, where he dedicated three housing projects built by the National Mortgage Bank.

Regarding possible changes to the monetary system, Martinez said that "we are going to reach an agreement with economic sectors to have a realistic exchange system."

The vice president concluded by saying that "we have conditions" regarding the foreign debt payment, adding that "it does not mean that the IMF has imposed conditions, but our foreign commitments have an influence on the domestic ones."

Fuel Prices To Increase

PY0208035888 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0320 GMT 2 Aug 88

[Text] Buenos Aires, 1 Aug (NA)—Tonight presidential spokesman Jose Ignacio Lopez said that the fuel price increase included in the package of economic measures will be effective as of the first minute of 3 August.

This was clarified as a result of a mistaken report that included fuel prices in the increase of the public utility rates effective 0000 on 2 August.

Agriculture Official Resigns

PY0108231788 Buenos Aires DYN in Spanish 2212 GMT 1 Aug 88

[Excerpt] Buenos Aires, 1 Aug (DYN)—Today in the midst of a real political storm, Agriculture, Livestock, and Fisheries Under Secretary Ernesto Figueras presented his "conditional" resignation to President Raul Alfonsin; all the other organizations in this sector unanimously repudiated the possible implementation of an exchange system that works to the detriment of agricultural and livestock exports.

The possible reestablishment of foreign exchange withholdings [retenciones] on agricultural and livestock exports, which would be done through the "commercial" exchange market and not through the free market, as other exports are done, has become the roughest point in the set of economic, financial, and exchange measures the government intends to announce.

Today Figueras submitted to Economy Minister Juan Sourrouille a number of "counterproposals" agreed upon by organizations of the sector. According to what has been learned, these organizations have initially accepted the "implicit [encubiertas] withholdings" to negotiate exports through the commercial exchange system, as long as they are guaranteed that they will be able to use the free exchange system for the 1988-89 agricultural campaign such as that which the industrial sector will use.

This issue, which on Friday caused a serious argument—which, it is said, almost led to a real fight between Figueras and Sourrouille—finally led to the resignation of the under secretary, which he presented verbally to President Alfonsin during a meeting at the Olivos presidential residence today.

In the morning, Figueras held meetings with members of the economic team headed by Sourrouille, Economic Coordination Secretary Adolfo Canitrot, Economic Policy Under Secretary Juan Sommer, Central Bank Director Daniel Marx, and Roberto Frenkel, chief of the Finance Ministry team of advisers.

Figueras and his team of advisers held a special meeting with President Alfonsin to relate to him their complete opposition to the new exchange policy prepared by the Finance Ministry and to tell him that should the measures be ratified, they will have to resign from their posts.

According to reliable sources close to the agriculture minister, Figueras' resignation is considered irrevocable, and is reportedly conditional on the the "highly improbable" decision of the economic team to reverse some of the measures by accepting the "agreed upon counterproposals."

The counterproposals were prepared during a tense meeting between Figueras and the following: president of the Argentine Rural Society, Guillermo Alchouron; Benito Legerin from the Argentine Rural Confederations; Humberto Voland from the Agrarian Federation; and CONINAGRO's [Agricultural-Livestock Intercooperative Confederation], Valentin Levisman. [passage omitted]

Economy Minister 'Source' on Exchange Rates

PY0208010088 Buenos Aires TELAM in Spanish 2301 GMT 1 Aug 88

[Text] Buenos Aires, 1 Aug (TELAM)—This afternoon a high-ranking Economy Ministry source reported that the establishment of dual exchange markets (for different foreign trade activities) will be announced tomorrow or Wednesday. One of the exchange systems will be the commercial type, which will be kept fixed for a given period of time. The other will be the financial type with a floating foreign exchange rate; that is, it will be under the control of the Central Bank.

The source admitted that the bank and exchange holidays will probably be extended to allow the release of these measures. He also denied there will be changes in the monetary system to take zeros off [the currency] in contracts for rent with state suppliers, or in bank deposits.

He added that there will be announcements on tariffs, which after being corrected will be kept frozen for a period of time that will be decided in meetings with businessmen and union leaders because the measures to be announced represent the first step toward the agreed upon de-indexation of the economy.

Regarding cuts in expenditures that will be made within the public administration, he said they will not cause dismissals. State personnel will be granted a salary increase in August similar to the July inflation rate, and then their salaries will be frozen. However, he said, the other sectors will continue with their labor management negotiations.

Parties Repudiate Shultz Visit, Plan Protest

PY0108155988 Buenos Aires CLARIN in Spanish 31 Jul 88 p 21

[Text] Yesterday the metropolitan chapter of the Intransigent Party (PI) repudiated the visit of U.S. Secretary of State George Shultz, who will arrive tomorrow in Buenos Aires on an official visit lasting almost three days.

The Workers' Party, the Movement Toward Socialism (MAS), and the Peronist Youth have already rejected this visit; yesterday several union leaders also criticized the visit.

In a communique, the Buenos Aires PI stated that Shultz visit "represents a subtle meddling in our country's politics. It reminds us of his tour in Guatemala, Costa Rica, El Salvador, Honduras, Brazil, Bolivia, Uruguay, and Ecuador during which the objective was to discuss the implementation of an imperialistic aggresion against the brotherly people of Nicaragua."

Fernando Melillo, secretary general of the Peronist Youth, said Shultz is "a symbol of the U.S. imperialistic policy." Melillo urged the people to show their disapproval of Shultz' visit by attending a demonstration at 1900 on 3 August at the corner of Callao and Corrientes Streets.

The MAS press secretariat has confirmed that they will take part in a march protesting against the presence of the U.S. secretary of state. The march, which will be staged on 2 August at 1900, will start at the Obelisk and end at the Congress building.

The communique stated that, in addition to the MAS, the Liberation Broad Format and other leftist organizations will also take part in the march. The Justicialist and Intransigent Parties, which were also invited to take part in the march under the slogan "Out with Shultz and the IMF," have yet to confirm their participation.

Bolivia

Supreme Soviet Delegation Arrives From Uruguay

PY0108134688 La Paz La Red Panamericana in Spanish 1130 GMT 1 Aug 88

[Text] Last night a delegation of the USSR Supreme Soviet arrived from Uruguay. The delegation is headed by Pulat Khabibullayev. The other members are Aleksandr N. Volkov and Vladimir I. Fedosov.

The delegation is to meet with Bolivian officials of the executive and legislative branches. In a news conference, the Soviet officials said that they will exchange ideas regarding the meaning of democracy, and that they will also explain the evolution of the perestroyka process that has been recently implemented in the Soviet Union. They are also going to talk about the latest Soviet political decisions on several issues related to nuclear war and the participation of the international community to prevent it.

Special Antidrug Force Reorganization

PY0208020688 La Paz PRESENCIA in Spanish 24 Jul 88 p 1

[Text] Through the Social Defense Under Secretariat, the government has decided to reorganize the special antidrug force and reduce the participation of high ranking police officers.

Social Defense Under Secretary Jorge Alderete Rosales reported that the reorganization plan is aimed at achieving a more effective force.

"The new organization will be more militarized and in accordance with military practices and rules. High-ranking police officers will participate less in order to facilitate the participation of the troops."

Alderete announced that the officers who will be in charge of the force will be selected next week and that they will have to join that force immediately.

He added that after a year of experience, his under secretariat has good reasons to proceed in this manner.

Asked whether the reorganization is part of the plan to create a new ministry called the social defense ministry, Alderete said the special force is an armed enforcement branch and that it will be subordinate to the new ministry if the president decides to create it.

Brazil

Paris Club Payments Due After Sarney Leaves

PY0108160788 Sao Paulo FOLHA DE SAO PAULO in Portuguese 31 Jul 88 p 1

[Text] President Sarney's government will not have to worry about the payment of its debt to creditor countries. The Brazilian delegation and the representatives of the Paris Club governments have signed an agreement whereby payments that fell due this July have been postponed until 1 April 1990; that is, exactly 15 days after the inauguration of President Sarney's successor.

That was the main result of negotiations that lasted 30 hours. The creditors wanted those payments to be made in December 1989, after the November presidential elections, and still during President Sarney's tenure; however, the Brazilian delegation succeeded in their desire to relieve President Sarney from one more worry during the next 20 months of his term of office.

Sarney Decree Creates Export Producing Zones

PY3007014288 Brasilia Domestic Service in Portuguese 2200 GMT 29 Jul 88

[By Lourival Macedo]

[Text] This afernoon at the Alvorada Palace, President Jose Sarney signed a decree creating Export Producing Zones [Zonas de Processamento de Exportacao], ZPEs.

These zones will be free for the establishments of industries in towns in the northern and northeastern regions. The industries will be given great fiscal incentives and production will be kept up to international standards.

The decree was also signed by Minister Jose Hugo Castelo Branco. President Sarney thus honored the minister's efforts in the creation of the ZPEs.

In Acting Industry and Trade Minister Luis Andre Rico's opinion, the ZPEs will promote development in the northern and northeastern regions. The acting minister said the industries will be allowed to sell in the domestic market up to 10 percent of the production of each manufactured item. The Brazilian consumer, however, will pay a 75-percent tax on such items.

Basic, Reference Salaries Readjusted

PY3007155688 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 30 Jul 88

[Text] President Jose Sarney has signed a decree increasing the basic salary by 24.9 percent. The national basic salary, which will go into effect on 1 August, will be 15,552 cruzados. The minimum reference salary, which serves to determine salaries above the national basic salary, has also been readjusted, and its value is now 10,464 cruzados.

July Inflation Rate Hits 24.4 Percent

PY2907140688 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 29 Jul 88

[Excerpts] July inflation figures have reportedly reached 24.4 percent. Inflation figures for the past 6 months total 185.4 percent, and for the past 12 months, 424.92 percent. [passage omitted]

According to IBGE [Brazilian Institute of Geography and Statistics], the metropolitan regions that had the highest inflation rates in July were Sao Paulo, Brasilia, Porto Alegre, and Curitiba. The items were foodstuffs, housing, transport, and personal expenditures. The lowest inflation rate was recorded in Belem, Para State, with 21.45 percent.

According to Finance Minister Mailson da Nobrega, the July inflation rate came as no surprise to the government and that it will drop in August. Nobrega said that the 24.4-percent inflation rate in July is unfortunate. [passage omitted]

$150 Million Converted at Debt Auction

PY2907035988 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 28 Jul 88

[Text] The $150 million offered for conversion at the fifth foreign debt auction, held in Belo Horizonte, was entirely converted.

The discount rate for investment in areas without fiscal incentives reached 27 percent, and for tax-exempt areas such as SUDENE [Superintendency for the Development of the Northeast] and SUDEPE [Superintendency for Development of the Fishing Industry] it reached 11 percent.

These results are better than the last auction, which was held in June.

In these five auctions Brazil has already converted $890 million of its debt.

EEC Vice President on Constitution Concern

PY0108162188 Rio de Janeiro O GLOBO in Portuguese 30 Jul 88 p 5

[Excerpts] Brasilia—Yesterday Karl-Heinz Narjes, vice president of the European Economic Community (EEC), said that the criticism of the Constituent Assembly, which he voiced early this week regarding the restriction it imposes on the presence of foreign capital in Brazil, reflects European industrialists' concern over the climate of uncertainty that is being created by the new constitution. According to Narjes, the Constituent Assembly might submit Brazil to international isolation if it disrespects the rules of the game. [passage omitted]

Yesterday Najes, who is officially visiting Brazil, was received by Foreign Minister Abreu Sodre. He explained that his criticism was intended to prevent a reduction in foreign investments in Brazil. [passage omitted]

The EEC vice president expressed surprise at the negative repercussions of his statement in Itamaraty. He said: "I limited my analysis to problems of interest to Brazil, and I noted that all Brazilian officials did agree with my analysis." Narjes avoided entering into an argument with Paulo de Flecha Lima, Itamaraty secretary general, who last Tuesday referred to Narjes' criticism as "unacceptable rudeness."

Sarney Decrees Promotion of 26 Officers

PY0108215788 Rio de Janeiro O GLOBO in Portuguese 31 Jul 88 p 11

[Text] Brasilia—Tomorrow the OFFICIAL GAZETTE will publish President Jose Sarney's decree promoting 26 Army, Navy, and Air Force officers.

Army officers Brigade Generals (two stars) Aureliano Pinto de Moura, of the Medical Corps, and Edson Alvez Mey were promoted to the rank of division general (three

stars); Colonels Alcy Pinheiro Rangel, of the Engineers Corps, Alberto Martins da Silva, of the Medical Corps, and Justo de Morais were promoted to the rank of brigade general (two stars).

Major Brigadier Lelio Viana Lobo, current head of Aeronautics Ministry Economy and Finances Secretariat, was promoted to lieutenant brigadier (four stars).

Other Air Force officers promoted were: Mauro Jose Miranda Gandra, Carlos Almeida Baptista, and Alberto Baltar, to major brigadier (three stars); and Cesar de Barros Perlingeiro, Antonio Joaquim da Silva Gomes Junior, and Guilherme Sarmento Sperry to brigadier (two stars).

Navy officers promoted were: Luiz Paulo Aguiar Regufe, Minister Henrique Saboia's adviser, was promoted to rear admiral (two stars). Regufe has already been nominated head of the office of Valbert Lisieux Medeiros de Figueiredo, minister-chief of Armed Forces General Staff (EMFA). The other officers promoted were: Jose do Cabo Teixeira de Carvalho, chief of Minister Saboia's cabinet, to squadron admiral (four stars); Mauro Cesar Rodrigues Pereira, Milton Maricano, Sergio Tavares Doerty, and Jose Julio Pedrosa to vice admiral (three stars); and Ayrton de Medeiros Cabral, Fernando Coelho Bruzzi, Luiz Fernandez, Francisco Domingues Marinho Filho, Jose Luiz Feio Obino, Luiz Santos Doring, Luiz Eugenio de Alburquerque Lobo, and Manoel Alberto Raymundo Serrao to rear admiral.

Government Denies Talks With U.S. on Waste

PY2907132388 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 29 Jul 88

[Text] Foreign Ministry Spokesman Rui Nogueira has reported that Brazil is not negotiating any agreement with the United States to receive nuclear waste or any other U.S. toxic waste, as was reported in Washington by the Council for American Affairs.

Nogueira explained that current laws forbid the Brazilian Government from receiving nuclear waste in its territory from any country.

Chile

Cardinal Offers Government-Opposition Mediation

PY0108161288 Madrid EFE in Spanish 1700 GMT 31 Jul 88

[By Senen Consejeros]

[Excerpts] Santiago, 31 Jul (EFE)—Today Cardinal and Archbishop of Santiago Raul Silva Henriquez said that he would be willing to mediate between the Chilean military regime and their opposition.

At the end of a mass for workers at the Workers Pastoral Mission, Msgr Silva Henriquez tersely affirmed: "I am willing to act as mediator." [passage omitted]

Two days ago the Committee of Independents asked the church if, after the triumph of the no vote at the plebiscite, it would mediate between the government and the opposition to ensure "a safe and peaceful transition to democracy in Chile." Former IDB President Felipe Herrera, Lawyers' College President Alejandro Hales, and former Ambassador Hernan Santa Cruz are members of the Committee of Independents. [passage omitted]

Three 'Communists' Arrested for Robbery

PY0108203388 Santiago Domestic Service in Spanish 1700 GMT 1 Aug 88

[Excerpts] The investigative police have arrested three members of a communist organization that held up the Cosmos supermarket. The police reported that two men and a woman, who are members of the communist youth organization, were arrested on charges of robbery with intimidation, robbery with violence, and violation of the arms and explosives control law.

The arrested people were identified as Andres Fernando Araya Ramos, alias Ernesto, 26 years of age; a minor identified with the initials NGAC, alias Claudio; and Amanda de los Angeles Silva, 28 years of age.

Several Molotov cocktails and a high-powered shotgun that was described as very destructive were found in their possession. Police officer Ramon Silva said the shotgun is a new weapon being used by extremists. [passage omitted]

The arrested people, the Molotov cocktails, and the [words indistinct] shotgun will be put at the disposal of the 17th Criminal Court of Santiago.

Colombia

Plane Hijacked; Passengers, Crew Robbed

PA0108220088 Hamburg DPA in Spanish 2108 GMT 1 Aug 88

[Excerpts] Medellin, 1 Aug (DPA)—Today two men hijacked a commercial airplane belonging to the Colombian ACES [Aerolineas Centrales de Colombia] airline with 2 crewmen and 20 passengers on board. The plane was hijacked while flying between the mining town of El Bagre and Medellin, in the northwestern Antioquia Department.

The hijackers, armed with submachineguns and grenades, forced the captain of the Twin Otter airplane, Carlos Mauricio Puerta, to change course and head for an old airport in the Campamento area, which is on the route between El Bagre and Medellin. The hijackers then stole money, jewelry, and gold worth an estimated 150 million pesos (close to $500,000), according to aeronautics authorities in Medellin.

The hijackers also forced the crewmen and passengers to get off the plane and lie face down on the ground while they ransacked the passengers' belongings.

Six other criminals were waiting at the old Campamento airport for the two perpetrators of this unprecedented hijacking. The criminals on the ground gave the plane a signal to land with a red banner which was set on fire before they left the scene. The eight criminals stole a large amount of gold that some of the passengers were taking to Medellin to sell to the National Bank.

To keep the crewmen from informing the control tower at the Medellin airport of the abnormal situation, the hijackers damaged the radio earphones and microphones, according to Roberto Gerds, the airline's vice president of operations. After going through the passengers' luggage, pockets, and purses, the hijackers fled on foot, warning their victims not to move for 1 hour. [passage omitted]

This afternoon, the two ACES pilots gave their statement to the police officials in charge of investigating the incident. [passage omitted]

Paraguay

Church To Suspend Ceremony at 15 Aug Event

PY0108151088 Asuncion ULTIMA HORA in Spanish 30 Jul pp 12, 13

[Excerpt] Asuncion Archbishop Msgr Ismael Rolon announced the contents of a note delivered to the chief of protocol yesterday in which the church will suspend the religious ceremony scheduled for 15 August, the anniversary of the founding of Asuncion, which this year coincides with the inauguration of a new presidential term.

The note addressed to Conrado Pappalardo says: "The latest socio-political events—which are of public knowledge, which were brought about by government officials or Colorado Party representatives working for the government, which were directed against the church, and which ended with the second kidnapping and immediate expulsion of Jesuit Father Juan Antonio de la Vega—these events tarnish the image of good relations between the church and the government."

"We think it would be quite inappropriate, and a very bad sign to the people, if under these circumstances we approve the solemn celebration of a religious service representing happiness, harmony, hope, and peace, as if nothing had happened," the communique adds.

"For these reasons, and after consulting with the Presbyterian Council, the Archbishop Council of Deans, and the CEP [Paraguayan Episcopal Council] Permanent Council, and after receiving unanimous approval, we have decided to suspend the religious ceremony scheduled for the morning of 15 August in the cathedral," the communique adds.

"Pope John Paul II's pastoral visit has helped us clearly distinguish between the authentic Catholic and he who is not. Please make this resolution known to those might be concerned," Msgr Ismael Rolon's note concludes.

According to the chief of protocol, a liturgical ceremony was scheduled for 0930 on 15 August "to pray for a good government that serves the common good." The ceremony was to be presided over by Asuncion Archbishop Ismael Rolon. [passage omitted]

Official on Reasons for Priest's Expulsion

PY0108193988 Asuncion ULTIMA HORA in Spanish 29 Jul 88 p 7

[Text] This morning Dr Dario Filartiga, Interior Ministry under secretary, told ULTIMA HORA that the decision to expel Father Juan Antonio de la Vega was made on the basis of "police reports and accounts by students who participated on the panel and heard Father Vega's remarks. These students, angered and surprised, denounced the priest to the authorities."

Filartiga affirmed that "the measure was adopted as an act of national sovereignty, a measure that the government adopted through the Interior Ministry, which, I have told the press, is charged with maintaining public order, social peace, and tranquillity. This individual, who is a foreigner, came to Paraguay to enjoy the benefits of residence."

The Interior Ministry undersecretary then said: "It is true, his residency papers are in order, but that does not grant him the right to incite violence and say what he has said." He even "raised his clenched fist and said that those who hold power do it very tightly, and if they are hit on their elbows, they will not let go, and that if Jesus Christ comes to Paraguay, he would be slapped with Law 209, and things like that...which amount to inciting violence."

Asked about what the Interior Ministry would do about the march the church intends to stage in protest for the expulsion of Father Vega, Filartiga replied: "Yes, I read about that in the press...that the church is planning to stage a march...." As for the attitude the Interior Ministry will adopt, he said "we will make a decision in the next few days."

Uruguay

Lacalle Named Blanco Presidential Candidate

PY0108164688 Montevideo Radio Carve in Spanish 0930 GMT 1 Aug 88

[Excerpts] Yesterday Senator Luis Alberto Lacalle was nominated as a presidential candidate of the National (Blanco) Party for the November 1989 elctions.

In the presence of more than 3,000 people, Lacalle delivered a speech on the fundamental aspects of his program for government. [passage omitted]

Senator Lacalle also commented on national problems. He said the country has been experiencing dreadful insecurities, which include not only the fear of being held up in the streets, but also general uncertainty and fear regarding the future. [passage omitted]

Guyana

Offshore Petroleum Exploration Pact Signed

FL2907184188 Bridgetown CANA in English 2025 GMT 28 Jul 88

[Excerpt] Georgetown, Guyana, July 28, CANA—The Guyana Government on Thursday signed a petroleum agreement with the Guyana subsidiaries of two foreign oil companies to search for oil off the coastland.

The companies involved in the joint venture arrangement are Lasmo Oil (Guyana) Ltd, a subsidiary of the British company, London and Scottish Marine Oil Company, and BHP Petroleum (Guyana) Ltd, a subsidiary of Broken Hill Proprietary Co Ltd of Australia.

According to the Guyana Natural Resources Agency (GNRA), the companies have been granted a petroleum prospecting license to search for oil in a 11,400 square kilometre area offshore. The license will be for three years in the first instance, renewable for two consecutive periods of three years each, making for a maximum exploration period of nine years.

At a press conference shortly after the signing ceremony, Lasmo and BHP officials told newsmen they are very excited about the agreement which was negotiated over two and a half years. [passage omitted]

Suriname

Army Kills 'French Mercenary' in Ambush

FL0108182588 Paramaribo International Service in English 1730 GMT 1 Aug 88

[Text] The national Army last Saturday killed a French mercenary after a group of terrorists was ambushed. Also on Saturday, Army Commander Bouterse informed the government about the developments in east Suriname. The French man, Alexis Dessitant, was according to a government spokesman either an instructor or adviser of the terrorist group.

Last Wednesday and Thursday, three soldiers of the national Army were severely wounded during an attack by terrorists in the Patamacca region. The soldiers were in the area to guard economic objects and to help in the reconstruction of infrastructure. Also, an unidentified plane was seen circling (?near) the Patamacca area. The government will inform the French charge d'affaires and ask for French assistance in finding and identifying the aircraft.

Netherlands Officials To Work Out Aid Details

FL3007021088 Belize City Domestic Service in English 0100 GMT 30 Jul 88

[Text] [Words indistinct] officials of the National Planning Office will meet with officials of the Dutch Embassy in Paramaribo to work out details for sending this year's renewed aid. Dutch Development Cooperation Minister Piet Bukman said after talks last week in the Surinamese capital that the first year of aid will be sent for capital goods, primarily for state and private companies that produce foreign exports.

Vice President Henck Arron, who met with the Dutch minister, said the discussions did not include a requirement that Suriname accept the World Bank's monetary economic adjustment program. It appears Holland has not granted Suriname's request for (?government's) $40-million crash program [words indistinct] recession and for reimbursements of $150 million Suriname spent on projects Holland had originally agreed to support.

Dutch aid was suspended after the murder-execution of opposition leaders by Suriname's military government in 1982. The aid agreement was restored in May of this year following the inauguration in January of a civilian government.

Surinamese officials are also working out [words indistinct] $1.50 in U.S. aid [words indistinct]. A U.S. Embassy official said possible additional cooperation is being considered.